The following document summarizes the disbursement policies and procedures of the George Mason University Foundation (the Foundation), including instructions for completion of the Foundation’s voucher form. Please see the separate Foundation policy related to travel related expense reimbursement to University and Foundation employees as well as other University affiliated associates (i.e. outside speakers, judges, students).

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PAYMENT PROCESSING AND ACCOUNTS PAYABLE ADMINISTRATION

General Requirements:

The Foundation has a fiduciary responsibility to donors to ensure that funds are utilized in accordance with the terms and conditions of their gifts. Any disbursement of Foundation funds must fall within the related donative intent. Additionally, all disbursements must be reasonable and benefit the University, not jeopardize the Foundation’s status as a charitable organization as defined by Internal Revenue Code Section 501(c)3, and comply with all applicable statues and regulations.

The Foundation requires the completion and submission of payment requests using the Foundation voucher form. All vouchers must be reviewed and signed by an authorized signer (typically the Project Director) prior to submission. All vouchers must include the appropriate documentation to substantiate the expenses and should be submitted within 30 days of receipt of invoice.

Vouchers including expenses older than one year from the date of receipt or invoice will be returned to the unit or department as unpayable.

Account Balances:

Prior to submitting a voucher, the authorized signer should ensure that the applicable department has the requisite funds related to the expenditures. Account balances are available online. If you have
questions regarding the online access of your account, please call the Foundation’s Controller. Contact information can be found at the end of this policy.

**Signature Authority:**

A current signature card containing the signatures of those authorized to disburse funds must be on file with the Foundation before checks are disbursed. The Project Director or contact person is responsible for immediately notifying the Foundation in writing of any changes in signature authority. Vouchers will be returned to the department if the authorized signer does not agree to the signature card and/or if the dollar threshold on the signature card is below the voucher request. If the payee is the authorized signer, the voucher must be signed by the payee’s supervisor.

Vouchers that are submitted without the necessary Project Director’s signature, information and documentation as outlined above, will be returned to the unit for complete information before a check will be issued.

- When the payee of a voucher is the Project Director, the voucher should be co-signed by the payee’s supervisor.
- Reimbursements to Academic Deans/Directors must be signed by the Provost.
- Reimbursements to non-Academic Directors or Vice Presidents must be signed by the Senior Vice President or University Chief of Staff, as appropriate.
- The Foundation President’s reimbursements must be signed by the Senior Vice President.
- The University President’s reimbursements must be signed by the Foundation President.

**Tax Exemption:**

The Foundation is exempt from Virginia sales tax on tangible items (e.g. something that can be touched, held or felt, including most catering and food purchases - See Virginia Retail Sales and Use Tax Memo for details, which can be found at [http://foundation.gmu.edu/forms](http://foundation.gmu.edu/forms).

- It is the responsibility of the Project Director to provide vendors with a copy of the Retail Sales and Use Tax Certificate of Exemption.
- Items must be purchased within the Commonwealth of Virginia to be eligible for the exemption. Items from other states are not exempt from sales and use tax.

**Voucher Processing Dates:**

Vouchers are processed and checks are prepared on Thursdays. Vouchers received in the Foundation office by Friday will be processed and a check cut the following Thursday, assuming all appropriate supporting documentation is provided. The Foundation is not responsible for delays due to the University’s mail room. If a check is needed the following week, it is best to hand deliver to the Foundation the voucher and supporting documentation by Friday and request that you be called for pick up when the check is ready (the following Friday).
Fees:

- Stop payments may be made on lost checks. To request a stop payment, notify the Accounts Payable Manager. Contact information can be found at the end of this policy. A fee of $25 will be charged to the requester’s Foundation expense account at the time of the stop payment request.
- All emergency requests for checks on a non-scheduled check processing day, or after a batch has been processed on scheduled check processing days, must be approved by the Foundation Controller. There is a $100 fee to be charged to the requester’s Foundation expense account for this service.
- A fee of $10 will be assessed to the requester’s Foundation expense account for any domestic wires.

GIFTS AND OTHER BENEFITS

Gifts:

Gift items or other fringe benefits paid through the Foundation and given to University-employed students, faculty, or classified staff must be reviewed against the IRS’ payroll reporting guidelines. Taxable items will be reported by Foundation staff to University payroll. When requesting payments for gift items for staff and students, please provide the University G#, name and amount for each recipient (unless the item falls into the non-reportable category as defined below.)

The University has defined certain gift items that the Foundation does not have to report to the University. These gifts must only be given for special occasions (or one-time for retirement) to qualify as non-reportable.

- Flowers, fruit and food baskets (if less than or equal to $100).
- Books (if less than or equal to $100.)
- Morale building items – single event tickets to theme parks, sporting events or movies (if less than or equal to $100)
- Logo clothing – Mason t-shirts or polo shirts (if less than or equal to $100.)
- Engraved/ Mason logo gifts (if less than or equal to $100.)
- Retirement gifts (if less than or equal to $400).

Gift cards and gift certificates provided to employees are taxable regardless of dollar amount and regardless of gift purpose.

Other Benefits:

- Portions of club dues may qualify as a working condition fringe benefit. The Foundation will report payments for club dues to Payroll for analysis and reporting.

- Telephone and internet payment requests must be reviewed against the GMU Foundation Policy on mobile devices and internet service connectivity payments. This supports the University’s policy 2113: Payment of Telework or Remote-work Expenses. Both policies are effective January 1, 2009.
SCHOLARSHIPS AND RELATED PAYMENTS

A scholarship is defined as financial support based on academic achievement or other criteria that may include financial need. A fellowship is defined as financial support to reduce the cost of a graduate student’s education. The donor of the scholarship or fellowship establishes the criteria for recipient selection.

If a payment made to a student or non-employee is for required tuition and fees for a degree program, the payment is generally considered a qualified scholarship or fellowship and is non-taxable to the recipient. If a payment is made to a student or non-employee for non-tuition and course-related expenses, such as for room and board and living expenses, the payment is considered a non-qualified payment and may be taxable to the student. The IRS does not require the Foundation to report taxable scholarship and fellowship income to either the IRS or to the student. It is the responsibility of the individual to properly report all taxable income on the appropriate tax filings. The Foundation recommends engaging a tax professional to resolve any questions. See the Foundation’s tax accountability letter at http://foundation.gmu.edu/forms.

Processing of scholarship vouchers:

- **Scholarships should be made payable to the student’s university account.** Please fill out the voucher to be made payable to ‘GMU for John Doe’ and include the student’s complete address and G number.
- Each scholarship request must be accompanied by a letter of congratulations with the award amount included.
- If the scholarship or award is for a non-US citizen, please submit to the International Tax Manager (x35223, MSN 4B2) to determine the eligibility of the recipient. Please indicate the name of the scholarship and the date of the semester (e.g. fall 2017 or spring 2018).
- If a scholarship is to be split between two semesters, please indicate this on the voucher.
- **All scholarship requests made payable to the student’s account must first be submitted to the Financial Aid Office for coordination with Kim Shumadine, x38289, MSN 3B5.**
- Financial Aid will forward the approved vouchers to the Foundation for payment.
- The check will be forwarded to the Financial Aid Office for deposit in the student’s account.
- If an award is to be paid directly to a student, please include a W-9 (available on the IRS website) signed by the student, a copy of a tax accountability letter (see http://foundation.gmu.edu/forms), signed by both the student and the Project Director, and a congratulatory letter signed by the Project Director.

**Academic awards and prizes:** Payment for winning a competition or being a top performer is not a scholarship or a fellowship, and may be taxable to the student. If an award is deemed taxable in nature, the Foundation will report the award to the IRS and to the student on IRS Form 1099-MISC if the cumulative awards exceed the filing threshold of $600.
REIMBURSEMENTS TO OR PAYMENTS MADE ON BEHALF OF STUDENTS AND NON-EMPLOYEES

If a student or non-employee is reimbursed for travel or other expenses or if a payment for travel or other expenses is made directly on behalf of a student or non-employee, the following information must be considered:

- If the expense is a “pass through course cost” (i.e. costs associated with study abroad or exchange programs) for a student enrolled in a degree program, the payment or reimbursement is nontaxable.

- If the expense benefits the University’s academic pursuits or mission, the payment or reimbursement is nontaxable. Related questions to consider include:
  - Is the expense appropriate to charge to a faculty member’s grant funds or other departmental funds?
  - Is the original purpose and intent of the related activity for the University to obtain useful results from the project or research?
  - Will related results or research be used by the University?
  - Are the expenses incurred in the course of activities that advance research or scholarships supported by a University department?
    - An example description of this type of activity to include on a Foundation voucher would be “Expenses in direct support of University research – J. Smith presenting on behalf of Professor Jones at the 2017 APA Conference, Chicago, 9/28/2017.”

- If the expense does not fall into the categories described above, the payment or reimbursement is taxable.
  - For US citizens, payments will be reported to the IRS and to the individual on IRS Form 1099-MISC if the amount totals $600 or more for the calendar year.
  - For non-US citizens, please follow the guidance in the following section, regarding foreign nationals and resident aliens.
    - An example description of this type of activity to include on a Foundation voucher would be “Fellowship payment – summer 2017 travel award for J. Smith, 7/1/2017.”

PAYMENTS TO NON-US CITIZENS

All payments to non-US citizens must be approved by the International Tax Manager in Fiscal Services prior to processing. Please send vouchers directly to the International Tax Manager (x35223, MSN 4B2) for approval, before submitting to the Foundation. Foundation accounts may be used to reimburse state accounts for payments made with state funds, when necessary.

If approved by Fiscal Services, reimbursements to non-US citizens may be permitted provided the payee is a resident alien, green card holder, and provides to the Foundation a signed W-9.
PROHIBITED EXPENDITURES

The following items will not be reimbursed by the Foundation.

- Parking decals and/or parking tickets
- Salaries or wages to GMU personnel or individuals. These must be processed through the University payroll system. GMUF can reimburse such payments to the university org/fund.
- Honorariums/independent service payments to University employees or students.
- Personal expenses
- Services provided by external professional fundraisers
- Third party payments. All payments to a third party whether for an honorarium/independent service or reimbursement should be made directly to that person or entity by the Foundation.
- Honorariums, scholarships, wages, and fellowships to non-US citizens, without the approval from the Office of International Programs and Services.
- Moving and relocation expenses
- Mailing lists for solicitation purposes
- Donations to another non-profit organization (includes 527- political organizations).
  - Business-related event sponsorships, which include a charitable component in the sponsorship cost, must be paid directly by the Foundation.
  - The Foundation does not reimburse individuals for charitable contributions to other entities.
- Any expenses exceeding one year as of receipt date
- Use of State credit cards for Foundation related expenditures
- Contract payments to University employees or students.
- All legal contracts for goods or services must be reviewed and signed by the Foundation.

Note: This list is not meant to be all-inclusive. Other items may be deemed non-reimbursable upon review. See prohibited expenditures related to travel expenses in the Expense Reimbursement and Travel Policy.

CONTRACT PAYMENTS AND COMPETITIVE BIDS

George Mason University employees or students cannot be considered contractors for payment from the Foundation. For assistance with university payments to staff or students, please contact GMU Human Resources/Payroll at x32600.

The Foundation encourages staff to obtain multiple quotes/ bids for contracts in excess of $5,000. If the unit decides to sole-source the contract for services in excess of $5,000, that determination must be documented. Please attach a completed GMU Sole-Source Procurement form, located at http://foundation.gmu.edu/forms. For contracts with multiple bids, staff may employ a request for proposal (RFP) process or another less formal mechanism to obtain multiple quotes to assist in identifying the most cost effective solution while still meeting high standards. Documentation supporting this effort should be included with the voucher request for payment. Staff should avoid any potential conflicts of interest or circumstances that would restrict competition.
All payments for contractual services must be made to the party performing the work. The following items must be included with each voucher:

1. Social Security Number on IRS Form W-9
2. Project Director signed copy of University’s Employee/Independent Contractor Evaluation Form (located at http://foundation.gmu.edu/forms).
3. A copy of the contract with the party doing the work. If none exists, please include a brief description of the work performed.
4. Documentation supporting the competitive bid effort or a sole-source justification form.

**SODEXO/BOOKSTORE PURCHASE ORDERS**

For purchases through Sodexo or the GMU Bookstore, please e-mail the Accounts Payable Manager to obtain a Foundation Purchase Order (FO) number. In your e-mail, please include:

- Relevant details including the related Foundation account number,
- Brief description of the items to be purchased or the event to be held, and
- Expected date and cost.

For Bookstore purchases, please prepare a Foundation voucher (listing the FO number and signed by an authorized signer) and present at the time of purchase. The bookstore staff will remit the vouchers to the Foundation for processing.

For Sodexo purchases, please be sure to clarify with Sodexo the location to which the final Sodexo invoice should be sent for efficient billing and processing. Once the final invoice is obtained, remit with a signed voucher to the Foundation Accounts Payable department.

**VOUCHERS – HOW TO COMPLETE**

The Foundation’s voucher forms are available upon request from the Accounts Payable Manager. The Foundation requires that the voucher is used for all request for payments. Please note that a separate Foundation form is required for Travel and Expense Reimbursement.

**General:**

- Please type or clearly write all vouchers and complete all relevant sections to ensure timely processing.
- Separate vouchers are necessary for each unique Foundation account being charged.
- Account holders may use one voucher for multiple expenses payable to the same payee. However, each amount must be separately itemized on the voucher with appropriate documentation attached.
- Vouchers must be submitted to the Foundation Accounts Payable Manager with the original receipt or invoice attached and other supporting documentation.
  - If the original receipt is not available, provide an explanation on the voucher.
  - If original receipts are submitted to a state account for partial reimbursement, please include a copy of the receipt with the voucher.
Any exceptions or special cases to the disbursement policy must be discussed and approved by the Foundation’s Controller prior to submission. Additionally, the related vouchers must be signed by the Dean of the related College and the related Project Director.

Check Delivery:

Checks will be mailed directly to the payee through U.S. mail unless otherwise specified by the originator of the voucher. Please include remittance forms so they can be mailed with the checks. The yellow copy of the voucher will be mailed back to the individual as noted on the voucher. The green copy should be kept in your office as a control copy.

If you do not want the check mailed to the payee, in the upper left section of the voucher, select from alternate options of “campus mail” or “call for pick-up”. Also include your name and Ext. # or MS#.

Payee Column:

The Payee Column should be completed as follows:

- Select whether the Payee is a Corporation, Individual or Other.
- If the payee is a University employee or student, please include the individual’s G number.
- Include the full name of the payee and address – either home address for individuals or full billing address for businesses.
- Social Security numbers are only needed for payment of services or honorariums to non-GMU employees or students.

The full name, address and G number, if applicable, should be on each voucher submitted even if the payee’s name has been submitted in the past.

The additional information related to the Payee must be completed for all vouchers. Payments to non-US citizens must be sent to the International Tax Manager in Fiscal Services, MS 4B2, for approval prior to sending to the Foundation.

Other Columns and Information:

As previously noted, a separate row should be completed for each expense. Please ensure that the Foundation Account name, Invoice Number, Invoice Date, Business Purpose, GL Code and Subtotal (Dollar amount) is listed on the voucher for each expense.

The Account Number should be completed for each form and the total expenses should be summed on the voucher.

Signatures:

Please ensure that the appropriate individuals have signed the voucher as summarized in the Signature Authority guidelines above.
CONTACT INFORMATION

If you need any additional information or clarification on the above procedures, please feel free to call our staff at any time:

- Mildred Carter, Accounts Payable Manager x38686 (mcarter3@gmu.edu)
- Beth Cantrell, Controller x35414 (ecantrel@gmu.edu)

Our office is located in Merten Hall, Suite 2300

Our mail stop is MSN 1A3.