

We look forward to having Express fully implemented by June 2006 and will facilitate this process for departments in anyway possible.

For more information on Express implementation, training, technical issues, or other questions, please contact Cathy Campbell, Express Coordinator at ccampbel@finance.ucla.edu or 310-794-0158.

Guiding Principles for Entertainment

We all know that there are circumstances where the extension of hospitality and entertainment at the University's expense is appropriate and can result in significant benefits to the University. However, as a public institution we must ensure the stewardship of our resources, that standards of internal controls and accountability are maintained, and that the University community is in compliance with IRS regulations involving these expenditures and with University policy. University policy requires that certain standards be met for University-funded entertainment to ensure that it is not construed as disguised compensation. Policy also requires the documentation of business purpose, cost, attendees, and that itemized receipts be provided for reimbursement. In all instances of expenditures for entertainment, departments must be able to clearly identify the benefit to the University even when unrestricted funds are being used.

The table below provides guiding principles that campus departments should follow when submitting entertainment expenses.

Guiding Principles	Ask...
The expense must support an underlying University business purpose	<ul style="list-style-type: none"> • Is there a business justification for the expense? • Is the reason for the expenditure clearly identified? • Will a reviewer understand the purpose as it has been described?
The expense must be properly authorized	<ul style="list-style-type: none"> • Was appropriate approval obtained before incurring the commitment of the expense? • Are the appropriate officers receiving and reviewing the PAN notifications?
The expense must be properly documented	<ul style="list-style-type: none"> • Is the purpose of the expense clearly identified? • Are there itemized receipts for expenditures? • Are the number of participants, their names, and their affiliations included? • Did you include the name of the host, and the date and location of the event? • Are the reasons for any exceptions (e.g., over the meal limit, spousal/partner participation, etc.) clearly explained so that an independent reviewer will understand the documentation as it has been described? • Are all exceptions as identified above charged to an unrestricted fund?
The expense must hold up to audit scrutiny	<ul style="list-style-type: none"> • Are the right people reviewing the PAN notifications? • Is there sufficient documentation to justify the expense?
The expense must be reasonable for the circumstances	<ul style="list-style-type: none"> • Could this expense be publicly justified and seen as reasonable for the circumstance? • Does the expense represent reasonable value for the money?
The expense must be paid out of the appropriate fund source	<ul style="list-style-type: none"> • Are you using a restricted fund? • Are you aware that unrestricted funds are also subject to policy? • Is alcohol permitted on the fund source? • Are any exceptions included that would require an unrestricted fund source?
The expense includes a spouse/partner of a University guest or University host	<ul style="list-style-type: none"> • Does their presence serve a bona fide business purpose? • Does he/she have a significant role in the proceedings or make an important contribution to the success of the event? • Was appropriate documentation provided to show that the presence of a spouse/partner serves a legitimate business purpose? • If so, is it fully explained such that a third party reviewer would understand the benefit to the University?
The expense is a reimbursement for a meal or light refreshment in connection with a business meeting	<ul style="list-style-type: none"> • Does the frequency of the meetings occur less than 12 times per year? • Is food an integral part of the meeting? • Could this meeting be conducted during working hours that do not involve a meal hour (i.e., other than lunch hour)?
The expense is related to a cash contribution included in a fundraiser fee (e.g., purchasing a table at a fundraising event)	<ul style="list-style-type: none"> • Did you provide documentation of the business purpose for making a cash contribution to an outside nonprofit organization? • Is the contribution reasonable in relation to the actual or expected benefits? • Did you provide a copy of a transmittal letter that will accompany the payment to the organization that states that the contribution is made on behalf of the University?