Overview

The purpose of this policy is to provide guidance for the required documentation of a business purpose for the use of Emory University funds.

When using Emory University funds, documentation of a clear business purpose is required so an approver, reviewer and/or auditor will reasonably conclude and agree that the expenditure is an appropriate business expense.

Applicability

This policy applies to faculty, staff and students of Emory University who use University funds. University funds are any funds contained within the University financial systems, including but not limited to, educational and general, non-sponsored funds such as faculty research (or discretionary), sponsored research, gift and endowment and capital.

This policy is applicable to any expenditure of University funds, such as requests for reimbursement or payment by the University regardless of the form of payment including, but not limited to, requests for reimbursement of personal funds and use of Purchasing Cards and Corporate Cards. The documentation of a business purpose is always required for reimbursements (personal and Corporate Card) and Purchasing Card transactions. Documentation of business purpose may be required for Emory Express purchase requisitions where the business purpose is not obvious.

Transactions occurring in the following systems require a clear business purpose: Compass Travel and Expense, Purchasing Card, Emory Express

Policy Details

Business Purpose and Benefit to the University

An explanation of business purpose must be documented and should contain sufficient information so the approver, reviewer and/or auditor will clearly understand how the expense benefits Emory.

The documentation of business purpose required for the following process or system is listed below.
Purchase requisitions originating in Emory Express with the University’s contracted vendors generally require minimal documentation regarding business purpose if business use of the goods and services are apparent and multiple approvals have been obtained prior to purchase.

Invoices processed through the Emory Express “Invoice attached” process require business purpose documentation when the business purpose is not readily evident.

Purchases and expenditures made with personal funds or Emory’s Corporate Card (thus seeking reimbursement) or with an Emory Purchasing Card generally need significant business purpose documentation.

Expenditures that by nature may be construed to have or may have some personal use or personal benefit will require a much higher level of substantiation of the business purpose. Certain expenditures may have both personal and business use; however, it should be clear by the explanation of the purpose of the expenditure that the preponderance of the use is for business purposes, even if some personal use remains. If in reviewing the expenditure the preponderance of use is determined to be personal, no reimbursement or payment should be made with University Funds.

Below is a non-exhaustive list of expenditures that require a much higher level of substantiation of business purpose:

- Subscriptions for general interest newspapers, magazines, or on-line services.
- Books that, by their title, would not seem to apply to the discipline or academic field of study or area of responsibility.
- Any expenditure for an entertainment item or activity, particularly if an Emory employee is not present during the entertainment or activity.
- Goods or services that are commonly used personally.

Explanations such as “research”, “business meeting” or “lunch meeting” are NOT sufficient explanations of business purposes.

Final Authority Regarding the Adequacy of Business Purpose

Final determination of the adequacy of the business purpose explanation and whether it sufficiently justifies the expenditure of University funds resides with the Vice President for Finance and is administered by the Sr. Director, Procurement, Contract Administration & Payment Services.

The Office of Financial Operations will enlist, as appropriate, those subject-matter experts (e.g., General Counsel, Internal Audit, etc.) needed to ensure that all uses of University funds are consistent with the mission, and in the best interest, of Emory University.

Related Links

- Current Version of This Policy: http://policies.emory.edu/2.109

Revision History

- Version Published on: Feb 24, 2011 (Change made to position title.)
- Version Published on: Feb 24, 2011 (Original Publication)

Emory University policies are subject to change at any time. If you are reading this policy in paper or PDF format, you are strongly encouraged to visit policies.emory.edu to ensure that you are relying on the current version.