

### **Introduction**

The guidelines below are in line with Northwestern University and Weinberg College policies and are designed to highlight and clarify appropriate uses of University funds. This policy guide aligns with the University's current [Spending Limit Guidelines](#) as of March 2024. Special circumstances and policy exceptions should be requested on a **limited basis** and must be submitted to the Weinberg Dean's Office **in advance** to allow for review and any necessary communication with the University's central policy administrators.

University and College policies apply to **all** sources of funds, but more restrictive policies may apply to certain funding sources such as sponsored projects.

### **Documentation**

The receipt requirement threshold is \$75 for reimbursement. Best practice is to submit an itemized receipt for all expenses, including meals. Documentation is required for all expenses regardless of amount.

### **General Events**

Department-wide meetings at either monthly or quarterly intervals are allowable at a maximum cost of \$30 per person.

Departments may have two events per year that fall under the category of holiday party or general appreciation party. The maximum allowable costs are as follows:

- \$50 per employee for appreciation event
- \$75 per employee for holiday party

Expenses for spouses and other dependents should generally be covered by personal funds. Incidental costs incurred by employees and students to participate (such as taxis, parking, or babysitting) are not reimbursable.

The ratio of food to alcohol at all events must be reasonable. Reimbursement for alcohol only will not be approved.

*Budget pre-approval from the Dean's Office is required for the events listed below. Please send budget information to the Senior Director of Finance at least two weeks prior to the event to ensure the request can be reviewed and approved prior to the event.*

- Events to recognize retirement of University employees. Costs for retirement events should not exceed \$50 per person.
- Retreats to analyze department or program issues. Events should be held on campus whenever possible. Costs must align with the in town meal cost maximums according to the [Spending Limit Guidelines](#).

*The following expenses are generally not allowable:*

- The cost of meals during normal working hours when not traveling. Specifically, meals while an employee is visiting either the Chicago or Evanston campus for work-related purposes, or "social meals," defined as two or more University employees dining together.
- Purchase of food on a continual basis for employees or students, such as refreshments for regularly scheduled weekly meetings or daily consumption.
- Events, gifts, or flowers in celebration of personal life events, including weddings, birthdays, births, promotions, dissertation defenses, or departure from the University. Contributions may be solicited from friends and fellow workers to cover expenses on these occasions.

### **Alcohol at Events**

When planning an event at which alcohol will be served, be sure to consult with the [Office of Risk Management](#). If the caterer/vendor/venue is not a preferred vendor and does not have an existing Master Agreement with Northwestern University, the [Northwestern Events Rider](#) may be required.

### **Faculty Recruitment**

Departments are encouraged to host a moderate gathering or reception that enables all members of the department to meet faculty candidates. Such events are allowable at a maximum cost of \$50 per person.

External dinners are allowable with faculty candidates and a small group of faculty colleagues. The following expense limits apply:

- Recruitment dinners for tenure line faculty: under special circumstances and with support from the Department Chair, the dinner may include a maximum of 6 attendees, including the candidate and up to 5 Northwestern attendees. The cost per person should not exceed \$150, including tax, tip, and other fees.
- Recruitment dinners for non-tenure line faculty: the dinner should include a maximum of 6 attendees, including the candidate and up to 5 Northwestern attendees. The cost per person should not exceed \$100, including tax, tip, and other fees.

To aid in compliance with these policies, the University maintains a [list of restaurants](#) in Evanston and Chicago offering fixed-price dinner menus that are in compliance with the per person limits above.

Candidate spousal expenses are generally not allowable. Exception requests should be vetted and authorized by the Dean's Office in advance of events.

Additional policies and procedures related to faculty recruitment can be found in the [Chairperson's Handbook](#).

### **Speaker Events**

Events with speakers internal to Northwestern may include a light on-campus reception at a maximum cost of \$30 per person, but not an external meal.

Events with external speakers may include a light on-campus reception as well as an external dinner with a smaller group. The following expense limits apply:

- The cost for on-campus receptions should not exceed \$50 per person.
- The external dinner should include a maximum of 6 attendees, including the speaker and up to 5 Northwestern attendees. The cost per person should not exceed \$100, including tax, tip, and other fees.

In addition to modest receptions and group dinner, visiting speakers may be reimbursed for travel, lodging, meals, and incidentals. Visitor travel expenses are reimbursed according to University travel policies and procedures. Departments may also decide whether to offer an honorarium to the speaker. Honoraria are intended to be small tokens of appreciation and should be kept to a maximum of \$1000. Honorarium payments that exceed \$1000 require pre-approval from the Dean's Office. Pre-approval may be requested using this [Smartsheet form](#).

### **Conferences**

Conferences held at Northwestern that are substantially supported by external funding or external participant fees may include meals with all conference participants. The per person costs for meals should align with Spending Limit Guidelines.

Conferences held at Northwestern that are supported largely by University funds may include group meals with external participants and University attendees. The ratio of University attendees to external participants should be 5 to 1, and the cost per person should align with Spending Limit Guidelines.

Budgets for large scale conferences and events consisting of expenses beyond standard meals should be submitted in advance to the Dean's Office for review and approval.

University [preferred vendors](#) should be used whenever possible. Please consult the University's current preferred vendor list. Note that the list includes diverse vendors, including Minority and Women Owned Businesses and Small Businesses, as well as vendors that engage in Sustainable practices.

Event contracts for hotel booking, restaurant reservations, and catering must be routed to the Dean's Office for review and signature.

### **Undergraduate Student Entertainment**

Departments are encouraged to host community building events for faculty and undergraduate students. Events may be held on or off campus and must take place outside of class time. Events that extend the learning experience outside of class time are allowable monthly for majors/minors in a department, and quarterly for students in a specific class. Faculty members must be present, and costs should not exceed \$30 per person.

Alcohol may not be purchased using University funds for undergraduate student events. Please consult the University's [Policy Regarding Alcohol at Events for Undergraduate Students](#) for additional information.

Food during class or end of quarter parties during or in lieu of class time are **not** allowable expenses and will not be approved for reimbursement.

### **Graduate Student Recruitment & Entertainment**

Departments may host a modest gathering or reception that enables all members of the department to meet graduate student recruitment candidates. Such events are allowable at a maximum of \$75 per person.

Graduate student recruitment may include external meals with candidates. The cost for meals should align with Spending Limit Guidelines. The number of University attendees should be reasonable and contribute to the recruitment effort, such as current graduate students and a few department faculty.

Departments are encouraged to host community building events for faculty and graduate students up to once per month. Community building events should be of modest cost, not exceeding \$50 per person.

Large research lab communities, including groups of graduate students, may also hold quarterly events. Faculty members are also encouraged to build positive relationships with their teaching assistants and may host up to one event per quarter for active teaching assistants. Quarterly events should be of reasonable cost, not exceeding \$50 per person.

Graduate student events in restaurants or bars that implicitly encourage extended consumption of alcohol are not appropriate. The ratio of food to alcohol at all events must be reasonable. Please consult the University's [Policy Regarding Alcohol at Off Campus Events for Graduate and Professional Students](#) for additional requirements.

### **Graduation and Commencement**

Departments may host a modest gathering or reception for graduating students and their guests. Costs for these events should not exceed \$75 per person.

### **Travel**

Travel is permissible when it applies to research, teaching, or other activities relating to the University's mission. Meals while traveling should align with Spending Limit Guidelines.

Travel should be booked through Northwestern's [Travel Agencies](#) whenever possible.

Reimbursement for travel booked using points or rewards is not allowable.

Per University policy, reimbursement will not be made prior to completion of travel, including conference fees when paid with personal funds. Reimbursement requests must be submitted within 90 days after completion of travel or incurrence of non-travel-related expense. Exceptions may be requested for expenses past the 90-day period. Exception requests should be limited, and approval is not guaranteed. Reimbursement is not allowable for expenses over one year old.

Travelers are encouraged to use the per diem method of reimbursement. Per diem reimbursement is allowable for travel longer than 12 consecutive hours. Per diem amounts must follow the government's published standards, including only 75% of the per diem rate on the first and last days of travel.

Employees may be reimbursed for local Chicago-area lodging in cases where early or late hours require such expense. Travel expenses, such as parking or public ground transportation, for local conferences outside of either Northwestern campus are allowable when there is a documented business purpose. Justification must be included when submitting the expense report.

Private auto usage may be reimbursed based on the US Federal Government mileage rate. Additional documentation is required for travel using a private vehicle to points more than 300 miles beyond the point of origin. See the [Procurement & Payment Services Policies & Reimbursements website](#) for guidance.

Faculty on leave of absence should consult with the Dean's Office about allowable travel expenses when they are applying for leave. Discretionary funds may **not** be used for standard living expenses, including food, lodging, or per diem, while on leave.

Foreign travel for the sole purpose of visa renewal is not reimbursable. When an employee is traveling on University business outside of the U.S., they may be reimbursed for additional travel to their country of origin for visa renewal.

### **Discretionary/Research Guidelines**

Discretionary research funds may be used for research, teaching, and professional business expenses, such as computer hardware and software (including a campus office computer), other equipment purchases, standard campus office furniture, technicians, postdoctoral fellows and other research assistance, manuscript preparation, purchase of books and supplies, research services, and travel for research and professional meetings.

Discretionary research funds may not be used for a variety of other purposes including but not limited to; summer salary (unless in accordance with the summer salary policy), course buyouts, green card and visa legal expenses, entertainment, and furniture for a home office.

Discretionary research funds may be used to pay independent contractors for services rendered. Payment to individuals must be made through University sanctioned payment methods. Out of pocket payment to an individual for services will **not** be reimbursed. Faculty should work with department staff and the Finance Office to best determine the appropriate payment method.

Discretionary research accounts assigned to a faculty member are University funds, not personal funds. Items purchased using University funds are the property of Northwestern University.

Once a faculty member has decided to resign from the University, preapproval from the Dean's Office will be required for spending of further monies from a discretionary account. Typically, travel to give previously scheduled conference presentations is approved, but not the purchase of equipment, books, or supplies. Items purchased remain the property of Northwestern University. The University does not pay any of the costs for a faculty member to move to a new institution, nor should department staff be detailed to pack boxes. The faculty's new institution is responsible for moving costs.

Faculty who retire from the University and hold emeritus status may continue to use discretionary funds for three years after the date of retirement, in accordance with their retirement contract and University and College policies.

### **Signature Authority**

End users within departments/schools, including faculty and staff, do NOT have the authority to sign ANY contracts or agreements with outside parties in the name of the University or one of its departments/schools. This includes event contracts for hotel booking, restaurant reservations, and catering. These, along with other contracts, must be routed to the Dean's Office for review and signature.

Certain individuals in the Weinberg College Dean's Office have been delegated authority to execute contracts. All contracts under \$25,000 should be submitted to the Senior Director of Finance for review and approval. Contracts between \$25,000 and \$150,000 should be submitted to the Associate Dean of Finance and Business Operations for review and approval. Contracts will be escalated to the Office of General Counsel as needed.

### **University Tax-Exempt Status**

- A. Northwestern University is exempt from the following taxes:
  - a. Sales tax
  - b. Use tax
  - c. Retailer's Occupation Tax
  - d. Service Occupation Tax (both state and local)
  - e. Service Use Tax in the State of Illinois
- B. Northwestern University is **not** exempt from the following taxes:
  - a. Food and Lodging Tax on hotel rooms and meals (exceptions to this rule apply to catered meetings and events, which fall under Sales Tax and Use Tax)
  - b. Other taxes associated with catered meetings and events, such as: City Tax, A/V Equipment Tax, Entertainment Tax, etc.
  - c. Taxes in states that do not recognize the University's tax exemption. A full list of states that recognize the University's tax-exempt status can be found [here](#).

Employees may **not** be reimbursed for taxes in the first category (A) on an expense report. Exceptions to this are very rarely granted – Northwestern does not reimburse for taxes the University is exempt from paying unless it can be demonstrated that it was unavoidable or an emergency.

Taxes in the second category (B) are reimbursable when they are paid for using personal funds. It is extremely common for employees to use personal credit cards for meals while traveling or for approved (non-catered) meals at restaurants for staff, faculty, donors, etc. Taxes on these types of travel or meals generally fall into category (B) and are reimbursable.

Taxes in category (A) are prohibited on corporate card transactions. If taxes are charged in error, the cardholder must seek reimbursement from the vendor before reconciling the expense.

### **Tax-Exempt One-Time Use Letter**

Procurement and Payment Services keeps information related to Northwestern's tax-exempt status on file. Departments requiring proof of tax-exempt status for University purchases can find the letter [here](#) (login required).

The Tax-Exempt One-Time Use Letter is to be used **only** with one of the University's official purchasing methods (Requisition, Payment Request, and Corporate Card). The letter is generally **not** to be used to make University purchases using personal funds. Exceptions to this should be extremely rare. Employees should use the University's official purchasing methods to procure goods and services. If another form of payment must be used, the transaction must be less than \$400 and the purchaser must request a separate Employee Certification Form from Procurement and Payment Services. See the [Tax-Exempt Update](#) for more information.

### **Gift Cards**

Gift cards are treated as non-cash compensation and may therefore be subject to taxes. It is advisable to alert recipients to the potential tax implications and allow recipients the ability to opt out of receiving the gift card if they are concerned about tax liability.

Purchasing gift cards for faculty or staff is not allowed. Exceptions will be incredibly rare and require pre-approval from the Dean's Office. Gift card purchases for employees must be reported to Payroll and taxes will be withheld from the employee's next paycheck.

For gift card purchases for non-employees (including students, visitors, research participants, etc.), purchasers are responsible for maintaining a list of gift card recipients, including name, contact information, and amount received. If the total amount received by any individual exceeds \$600 in a calendar year, the information must be reported to the Tax Office ([taxandregulatoryservices@northwestern.edu](mailto:taxandregulatoryservices@northwestern.edu)).

The University and College strongly discourage gift card purchases for meals. Grab-and-go or catered meals are preferable for in-person events. Meals are typically not allowed for virtual events. In the rare case that meals are provided for virtual events, reimbursement is preferable to gift cards.

**Definitions and Resources**

*Department* – independent unit within Weinberg College; department or program

*External* – persons, events, and locations outside of Northwestern University

*Per diem* – a standard daily allowance for meals and incidental expenses incurred while traveling

*Per person cost* is inclusive of Northwestern employees and students only

*Pre-approval* – advance notification to the Dean’s Office before expenditures are authorized

**University and Weinberg Policy Links**

[Northwestern University Travel & Entertainment Policy](#)

[Northwestern University Travel Program](#)

[Procurement & Payment Services Policies & Forms](#)

[Signature Authority](#)

[Spending Limit Guidelines](#)

[Weinberg College Chairperson’s Handbook](#)