

Accounts Payable Manual

July 2025

MUSC FOUNDATION

MUSC Foundation Accounts Payable Manual

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AP Manual Overview

The MUSC Foundation (Foundation) will disburse funds only if an authorized Payment Request filed in Papersave with supporting documentation is received and approved by either the Foundation Chief Executive Officer (CEO), Vice President of Institutional Advancement (VP/IA), or Chief Financial Officer (CFO). This request for funds must be for expenditures which will benefit the Foundation, The Medical University of South Carolina (MUSC), and/or The Medical University Hospital Authority (MUHA) in a direct and substantial way and will not jeopardize the tax-exempt status of the Foundation as granted under IRS Code Section 501(c)(3). **The Foundation has a fiduciary responsibility to ensure that all expenditures comply with donor-imposed restrictions, do not jeopardize the financial status of the Foundation, and are prudent uses of the resources held by the Foundation.**

Those requesting reimbursement from the Foundation should consider that reimbursement funds will come from the donor-provided dollars and that all expense requests are subject to public scrutiny and audit. Expense requests that are not properly documented may subject the Foundation to criticism if there is an appearance that expenses are excessive or not reasonably related to University or Hospital business. Documentation must make it clear that the expense is reasonable and related to the University or Hospital business.

Any spending policy or procedure not specifically addressed herein shall follow the spending policy of MUSC or MUHA. Documentation is required to support each expenditure of Foundation funds.

The AP Manual is periodically revised by the Foundation staff.

1.0 Payment Request Requirements ---

1.1 Payment Request Instructions

The Foundation utilizes a web-based accounts payable platform called Papersave. All Payment requests are to be prepared for all expenditures in the system. For specific instructions on how to submit through Papersave please click on the following link: [MUSC Foundation - Invoice Automation Guide.pdf](#).

1.2 Payment Request Submission

Payment Requests must be received no later than noon on Fridays. Payment will generally be issued the following Friday.

2.0 General Policies ---

2.1 Vendor Payments, Invoices, and W-9s

An invoice from the vendor is required for payment. A current W-9 Form (IRS) is required prior to payment.

2.2 Reimbursements, Receipts and Invoices

Copies of detailed receipts or invoices paid by an individual are required for all reimbursements, except for parking charges \$25 or less and the receipt is not dispensed. Reimbursement without copies of receipts or invoices for other charges will be at the sole discretion of the Foundation CEO, VPIA, or CFO.

2.3 Timely submission, 90 day age limit

Requests for reimbursement should be submitted in a reasonable period of time according to the IRS Accountable Plan rules; reimbursement requests should be submitted within 90 days to the Foundation. If a request is received between 90 to 120 days, the reimbursement may be made at the discretion of the Foundation CEO, VPIA, or CFP; however the reimbursement amount will be reduced by \$35 or 50%, whichever is greater.

2.4 Procurement Method

Method of procurement and payment for some items may be important due to special procurement rules, restrictions on suitability of certain items to be purchased, etc. which would require MUHA or University procurement to become involved in the process.

Equipment, medical goods, office supplies, technology items, and construction requests are

examples of items (not an exhaustive list) where the department should first contact MUHA or University procurement to determine if those items should be procured and paid through those entities and then reimbursed via an FDM by Foundation, or if Foundation should pay directly.

2.5 Reissuance of Checks

A reissuance request may be made for lost or damaged checks or checks older than 90 days. If a payee requests a check to be reissued based upon the circumstances above, the Foundation may reissue the check. The department which submitted the check request must approve this request. The Foundation will place a "stop payment" on the original check. The department account on which the check was drawn will incur a charge equivalent to the current bank stop payment fee assessed.

3.0 Unallowable Expenditures ---

3.1 Questionable Expenditures

Expenditures of Foundation funds which are of a personal nature are expressly prohibited. There must always be a clear and predominant benefit to MUSC, MUHA, or Foundation. A comprehensive list of all prohibited expenditures is not possible. **Any questionable expenditures should be reviewed with the Foundation, prior to incurring the expenditure. Please reach out to foundationcheckreq@musc.edu if you have any questions.**

3.2 Examples of Unallowable Expenditures *(This is not an all-inclusive list):*

- Parties, or events social or recreational in nature (including events deemed as teambuilding, morale, or similar)
- Gifts for any State employee (see section 9.4 for employee awards)
- Meals where there is greater than a 6:1 ratio of individuals affiliated with MUSC/MUHA (includes spouses or significant others) to guests
- Gratuities of more than 20%, gratuities without proof of payment
- Pre-payments of expenses
- Individual licenses or certifications, except as part of educational requirements (see section 10.2)
- Expenditures deemed to be extravagant, excessive, or which provide significant personal benefit

4.0 Affiliate Relationships ---

4.1 MUSC and MUHA

The Foundation provides support to MUSC and MUHA.

4.2 MUSCP, FRD, ZIAN

These entities can be reimbursed for expenses that they provide on behalf of MUSC, MUHA, or the Foundation:

- MUSC Physicians (MUSCP)
- Foundation for Research and Development (FRD)
- Zucker Institute for Applied Neurosciences (ZIAN)

5.0 Food and Meals for Entertainment ---

5.1 Entertainment Justification

The IRS may view a meal disbursement as providing a personal benefit if there is any doubt concerning the business purpose. Even though the business purpose may be implied in some cases, it must be specifically documented as evidence of the propriety of the expenditure.

5.2 Meal Limits

The limit includes tax, gratuity, delivery, set up costs, and room rentals.

5.3 Donor, Departmental, and Business Meeting & Entertainment Meals

The following types of meals are subject to the limits below:

- Cultivation, solicitation, or stewardship
- MUSC/MUHA sponsored conferences or receptions
- Recruitment

Breakfast	\$30 per person
Lunch	\$50 per person
Dinner	\$165 per person

Any of the above types that have only MUSC or MUHA attendees will be considered a working meal as noted below and have the applicable limits applied.

5.4 Staff Meetings and Working Meals

Working meals (a meal attended only by MUSC/MUHA affiliated personnel or students during which business is discussed) are limited to:

Breakfast	\$25 per person
Lunch	\$40 per person
Dinner	\$60 per person

A copy of the meeting agenda detailing the benefit to MUSC or MUHA must accompany the Payment Request.

6.0 Travel

6.1 Meals – Per Diem

- Meals available to be covered by other sources such as meals included as part of a conference registration will not be reimbursed.
- Domestic – Foundation follows the same reimbursement limits as MUSC regarding travel meal allowances, see also University policy 7-4.0. Currently, those amounts are \$35 per day for in-state and \$50 per day for out-of-state. An amount greater than in-state and out-of-state standard per diem may be reimbursed up to the limits below, but detailed receipts must be submitted.

Non-Travel Day: Time of Meal	Type of Meal	In-State Per Diem (No Receipts Required)	Out-of-State Per Diem (No Receipts Required)	Meal Limits (Receipts Required)
Before 11:00 am	Breakfast	\$8	\$10	\$25
Between 11:00 am and 5:15 pm	Lunch	\$10	\$15	\$40
After 5:15 pm	Dinner	\$17	\$25	\$60

Travel Day: First Day of Trip		Travel Day: Last Day of Trip	
If you leave before:	You may be reimbursed:	If you return after:	You may be reimbursed:
6:30 am	Full Day	11:00 am	Breakfast only
11:00 am	Lunch & Dinner	1:30 pm	Breakfast & Lunch
5:15 pm	Dinner only	8:30 pm	Full Day

- International – Foundation follows the same reimbursement schedule as MUSC regarding

international travel meal allowances; see also University policy 7-11.0. Please use the following website to determine the approved amount of per diem for your travel destination. Please include a PDF showing the applicable Per Diem Chart for the period traveled. https://aoprals.state.gov/content.asp?content_id=184&menu_id=78

6.2 Mileage

Mileage (based on when travel took place) is currently reimbursed up to the 2025 IRS standard mileage rate of \$0.70 per mile for business use of a personal vehicle. Mileage will not be reimbursed from gas receipts. When considering air travel versus mileage reimbursement, the most economical method of transportation should be used. A minimum travel of 20 miles round trip is required for a trip to be eligible for reimbursement.

6.3 Air Fare

Economy class travel will be reimbursed. Exception to economy class may be authorized by the Foundation in extraordinary circumstances. If frequent flyer premiums are used, there is no out-of-pocket expense. Therefore, reimbursement can only be made if the cost of the ticket was paid by credit card with valid receipt. Payment of any advance deposits for air fare is the responsibility of the traveler; reimbursement will normally be made after completion of the trip. The traveler should contact their respective department for possible pre-payment arrangements if desired; the Foundation may then reimburse the MUSC or MUHA department's FDM for these expenses after the completion of the trip. If after checking with the traveler's department pre-payment is not available, an exception for reimbursement prior to travel may be requested from the Foundation by contacting the Accounts Payable Coordinator prior to incurring any costs.

Foundation staff who are required to travel for work may be reimbursed for the purchase of a ticket up to six months in advance. Should the individual fail to travel or leave the Foundation then the individual must refund the Foundation for the ticket price.

6.4 Hotels/Lodging

MUSC or MUHA travelers may be reimbursed for lodging equal to the single room rate, plus taxes. If lodging exceeds \$450 per day (before taxes), a justification must be submitted prior to incurring the expense. No reimbursement for overnight accommodations shall be made within fifty miles of the traveler's official headquarters and/or residence. Payment of any advance deposits for lodging is the responsibility of the traveler; reimbursement will normally be made after completion of the trip. The traveler should contact their respective department for possible pre-payment arrangements if desired; the Foundation may then reimburse the MUSC or MUHA department's FDM for these expenses after the completion of the trip. If after checking with the traveler's department pre-payment is not available, an exception for reimbursement prior to travel may be requested from the Foundation by contacting the Accounts Payable Coordinator prior to incurring any costs.

Foundation staff who are required to travel for work may be reimbursed for lodging up to six months in advance. Should the individual fail to travel or leave the Foundation then the individual must refund the Foundation for lodging.

6.5 Conference Registrations

A copy of the registration form, paid receipt, and a description of the course or seminar to be attended is required for reimbursement.

7.0 Employee Spousal Travel and Meals ---

Payments for spousal expenses may be deemed as compensation by the IRS. When a spouse's attendance at a professional function or meeting with current or potential donors serves a *bona fide business purpose*, the spouse's travel or meal expenses may be reimbursed without tax impact. A detailed itinerary must be submitted outlining the business purpose of the spouse's activities.

8.0 Contracts and Honoraria ---

8.1 Employees and Students

Employees or students of MUSC, MUHA, MUSC Physicians, Foundation, or FRD cannot be paid as an Independent Contractor. Contractual payments cannot be made directly by the Foundation if there is an employee/employer relationship.

8.2 Independent Contractors

Payment Requests should be accompanied by a completed Independent Contractor – Memorandum of Understanding (MOU) and when applicable, a completed Independent Contractor – Proprietary Interest Agreement (PIA) signed by the independent contractor and the CEO, VP/IA, or CFO of Foundation.

Please refer to the link below for MOU and PIA forms:

<https://horseshoe.musc.edu/everyone/foundation/library>

8.3 Contracts for services to be paid by MUSC Foundation

Contracts to be paid by MUSC Foundation should be between the Foundation and the vendor. Only the CEO, VP/IA, CFO, Board Chair or Board Vice Chair of the Foundation can approve contracts encumbering the Foundation. All contracts should be emailed to foundationcheckreq@musc.edu for review. See Appendix A for common contract terms and Foundation positions. Contracts emailed to the Foundation for review related to an event should

also include an application for event insurance.

All event contracts should go to MUSC Events (LLCrequests@musc.edu).

Please refer to the link below for the Event Insurance Application:

<https://horseshoe.musc.edu/everyone/foundation/library>

8.4 Honoraria

Supporting documentation for honoraria should indicate the amount to be paid and should be accompanied by a W-9 form. Honoraria cannot be paid to employees or students.

8.5 Foreign Nationals

The Foundation does not issue any compensation payments (i.e., honoraria/contractual services) directly to foreign nationals. Visiting foreign nationals are paid through MUSC or MUHA. The Foundation can reimburse MUSC or MUHA departmental funds for expenses related to foreign nationals after the payments are processed through MUSC or MUHA. See also University policy 5-12.0.

9.0 Financial and Related Services ---

9.1 Financial Aid and Scholarships

Student Financial Aid and Scholarships for academic expenditures and costs associated with attendance are processed through Student Financial Aid.

9.2 Emergency Student Loans

Requests for student loans must be accompanied by an Emergency Loan Application approved by the Dean or his Designate and Student Financial Aid, and a Promissory Note signed by the student. Interest will accrue during the loan period. Emergency loans are limited to amounts of \$1,000 or less and must be repaid within 6 months. The College should contact the Foundation for pre-approval before submitting the Payment Request.

9.3 Student Awards

Student awards for outstanding performance in the student's field, volunteerism, etc. should be processed by MUSC or MUHA and reimbursed to a FDM by the Foundation. Any amounts paid directly to the student may be considered taxable income to the student. Financial Aid and Scholarships are discussed separately above.

9.4 Employee Awards

All faculty/staff awards will be processed through MUSC or MUHA in accordance with their policies and procedures. Employee Awards are considered wages and should be reported on the employee's W-2. The Foundation cannot pay a MUSC or MUHA employee directly for an award; the Foundation can reimburse the MUSC or MUHA department's FDM for these expenses. See also University Payroll policy 5-14.o.

10.0 Dues, License Fees and Certifications ---

10.1 Professional Dues

Dues statement will be required for payment. Memberships must clearly benefit the MUSC or MUHA and not the individual. Professional dues can be paid by the Foundation if the membership is reasonable and justifiable and provides a substantial benefit to MUSC or MUHA. Individual memberships will not be paid if an Institutional Membership is available.

10.2 License and Certification Fees

Individual license fees or certifications may be paid if it is required as part of educational requirements. License fees and certifications will be evaluated on a case-by-case basis; please contact Accounts Payable Coordinator prior to incurring the expenditure.

11.0 Recruitment and Related Activities ---

11.1 Recruitment and Related Activities

The Foundation may pay lodging, air fare, and/or meals for one trip for an interview. Subsequent trips, trips for spouses, or house hunting trips will not be paid by the Foundation.

11.2 Relocation/Moving Expenses

Moving expenses for new MUSC or MUHA employees can be paid by MUSC or MUHA and subsequently reimbursed by the Foundation when the moving expenses are determined to be essential to the successful recruitment of professionally competent staff members. The maximum payment in any instance to any new employee may not exceed \$5,000. See also University Accounting policy 1-12.o.

12.0 Gifts ---

12.1 Cash Gifts

Cash gifts, which include gift cards, are not reimbursed by the Foundation.

12.2 Gifts to individuals for Business Purpose

The maximum reimbursement level for a business gift to an individual for purposes of special recognition is \$25 (IRS Publication 463), except in cases where the gift is made in direct response to a donation made to the Foundation (see below). Items that cost \$4 or less, and bear the MUSC, MUHA, or Department name or logo are not considered gifts for the purposes of the \$25 limit.

12.3 Gifts to Donors in Response to a Gift

Donor appreciation gifts to donors in direct response to a donation made to the Foundation are limited to the lesser of \$132 (indexed annually by the IRS, see IRS Revenue Procedure 2023-34) or 2% of the gift for calendar year 2024. IRS policy dictates that a gift to an individual's spouse is considered an indirect gift to the individual and therefore is not counted separately when applying these limits. These values are subject to annual adjustments.

12.4 Gifts to Employees

Gifts to employees are not reimbursed by the Foundation. Plaques and certificates for the purpose of special recognition of employees may be reimbursed up to \$100.

12.5 Gifts to Elected Officials

Any gifts or meals for public officials, whether elected or appointed, at any level, must be pre-approved by the MUSC or MUHA Legal Department.

13.0 Flowers ---

13.1 Donors

Foundation will reimburse up to \$125, excluding tax and delivery, for flowers sent to donors and their immediate family members (parents, siblings, spouse and children), for hospitalizations, funerals, or donor appreciation.

13.2 Events

Flowers for events such as banquets or fundraising events may exceed \$125 but must still be reasonable for the event.

13.3 Employees

Flowers for employee recognition are not reimbursed by the Foundation.

14.0 Portraits ---

The costs of portraits and their framing can be paid by the Foundation provided that the monies come from a fund that is designated for this purpose.

15.0 Prizes and Auctions for Fundraising Events ---

15.1 Prizes

Foundation can reimburse for prizes if there are written rules and eligibility requirements for how the winner of a contest will be determined. If the value of the prizes exceeds \$600 per person, it will be taxable to the prizewinner and an IRS Form 1099 issued.

15.2 Auctions

Items to be auctioned off for otherwise approved purposes may be purchased with or reimbursed from Foundation funds.

16.0 Tangible and Other Assets ---

16.1 Equipment

Payment Requests determined acceptable to pay directly should include the invoice or contract. The department initiating the purchase is responsible for properly safeguarding all assets purchased with Foundation funds. Assets purchased with Foundation funds will become the property of MUSC or MUHA. All items should be shipped to a MUSC or MUHA address. If the item is over \$5,000, an Equipment Donation Form must be completed prior to payment.

Please refer to the link below for the Equipment Donation Form:

<https://horseshoe.musc.edu/everyone/foundation/library>

16.2 Books and Teaching Aids

Books can only be purchased for a Departmental Library, not for an individual. The department is responsible for maintaining control of books and Teaching Aids after delivery. Books must be shipped to the Department. Home deliveries are not allowed.

16.3 Periodicals

Statement or copy of card mailed to subscribe to periodical should be provided for payment or reimbursement. Periodicals must be for the Departmental Library, not for an individual. Deliveries of the periodicals must be made to the Department. Home deliveries are not allowed.

17.0 Graduation

Foundation will pay for expenses related to Graduation or Hooding Ceremonies, including musician fees, facility rental fees, and refreshments following the ceremonies.

18.0 Patient Assistance

Foundation can provide financial assistance to patients, including gas cards. The department making the request must maintain all evidence of qualification for the program and approvals.

19.0 Foreign Currency

When claiming reimbursement for expenses that are in a foreign currency, the Payment Request must be completed in US Dollars. If the supporting documents do not list a US Dollars amount and the requestor cannot provide a specific US Dollar receipt or a line-item bank/credit card statement, then documentation of the rate of exchange on the date the expense was incurred, must be provided.

The recommended site for historical currency exchange rates is:

<https://www1.oanda.com/currency/converter/>

20.0 Donations to Charitable Organizations

20.1 Gifts to Charitable Organizations

As the Foundation can only provide support to MUSC and MUHA, gifts to other charitable organizations (including contributions as memorials) are not reimbursable.

20.2 Sponsoring a Charitable Organization Event

The Foundation may choose to sponsor a charity's fundraising event if it is related to the Foundation's donor relations efforts or, it is deemed by the MUSC Sponsorship Committee that MUSC or MUHA benefits with direct and substantial public relations exposure. All sponsorships

must be approved by the Sponsorship Committee prior to being sent to the Foundation for payment.

21.0 Parking/Fines ---

Under no circumstances will MUSC/MUHA employees be reimbursed for parking during their normal work hours on the MUSC campus if free parking is not available. Fines for moving or non-moving violations (e.g. parking tickets) will not be reimbursed.

22.0 Credit Card Purchases ---

Credit card purchases made by Development personnel using Foundation credit cards are addressed in a separate policy and procedure document. The Foundation cards must be used in accordance with the Accounts Payable Manual of the Foundation.

23.0 Accounts Payable Contact ---

Jocelyn Aluague

Accounts Payable Coordinator

843-792-9625

foundationcheckreq@musc.edu



Common Contract Terms and Positions

1. Contracting party – should be MUSC Foundation if funds held at MUSC Foundation will be used to pay the other party.
2. Indemnification – other party is asking us to be responsible for the other party's damages to some extent. Will be struck from contracts.
3. Hold harmless – will hold other party without blame, and we won't sue. Will be struck from contracts.
4. Defense – will cover the other party's cost of defense in court, usually coupled with an indemnity clause. Will be struck from contracts.
5. Payment – deposit amounts upfront on things like catering or venue space are usually acceptable. Will not pay in full until completion of services performed by the vendor.
6. Governing law – laws of South Carolina should govern.
7. Standard of performance – language stating that the other party will perform in a professional manner and do the work at a level consistent with industry standards. Should be present in the contract, or it will be added in.
8. All terms reviewed to see if in line with our Accounts Payable Manual (purpose of the fund being used, meal limits, etc.). To determine compliance, we may request certain items such as meal cost estimates, # of expected attendees, etc.