

University of Kentucky – Discretionary Expenditures

A, General

Certain types of purchases and cash disbursements made by University departments are categorized and entitled *Discretionary Expenditures*. Although these expenditures are necessary and appropriate, such expenditures would not normally be approved using regular University funds. The *Discretionary Expenditure Policy* ensures that expenditures in these categories only occur when necessary and appropriate and establishes the minimum level approval required. Responsibility for oversight and enforcement of the Discretionary Expenditure Policy rests with the Office of the Treasurer. The Accounts Payable Department of the Office of the Treasurer conducts the final review of discretionary expenditures to ensure the propriety, proper funding and appropriate approval of each transaction.

B. Source of Funds

The source of funds to support discretionary expenditures is generally private donors.

Additionally, there are certain self supporting activities within the University that charge registration or other fees to specifically support discretionary (entertainment) type expenditures. For these activities, the segmented portion of the registration or other fee income related to these special activities may be moved to a self-supporting discretionary cost object, provided approval for moving the funds is obtained from the Provost or appropriate Executive Vice President, or their designee. The Dean/Director responsible for oversight of the self supporting activity would prepare a letter to the Provost or appropriate Executive Vice President requesting the funds transfer and attaching supporting documentation to explain how the amount requested was determined. Additionally, a Journal Entry to move the funds or a budget transfer form would need to accompany the letter.

C. Categories of Discretionary Expenditures

- a. Alcoholic Beverages
- b. Faculty, Staff and Student Awards
- c. Holiday, Greeting and Special Occasion Cards
- d. Contributions and Donations
- e. Organization Membership Dues
- f. Entertainment Contracts
- g. Gifts
- h. Official Guest Expenses
- i. Meals
- j. Office Decorations
- k. Public Relations Activities

- l. Refreshments for Departmental Use
- m. Relocation Expenses

University of Kentucky – Discretionary Expenditures

D. Detail Policy Requirements by Category

The detail policy requirements for expenditures from each category may be viewed at <http://www.uky.edu/EVPFA/Controller/files/dispolcy.pdf>