



## ALL FUNDS EXPENSE MATRIX

As an entity that is funded primarily by public support and that also relies on student tuition and fee payments, gifts from donors, and sponsored awards, the City University of New York (CUNY) has a fiduciary obligation to use its funds prudently. This means that all CUNY employees must use University resources in the fullest support of CUNY's mission. To that end, all expenses must be reasonable and necessary and not lavish or extravagant.

The below matrix of 'All Funds Expenses' should be consulted when purchasing goods and services using the various types of funds outlined in the matrix columns. Please note that this matrix serves as guidance for determining how funds may be used. Any proposed use of funds that are not consistent with these guidelines, in the case of extraordinary circumstances, must be justified in writing and approved prior to commitment of funds by the Vice President of Finance (for college expenditures), the University's Chief Financial Officer (for CUNY central expenditures), or the Treasurer or designee (for separately-incorporated related entity expenditures). In all cases, purchases are subject to budget availability and most require a pre-approval by the college, Central Office or the related entity's board, as the case may be.

The colleges, their separately incorporated affiliated entities, and the Research Foundation of the City University of New York (RFCUNY) may prepare their own guidance on the use of funds; those guidelines can be more restrictive than the matrix but can never be less restrictive. In those cases, the more restrictive policy takes precedence.

### Definitions of Matrix Funding Sources

- **Tax Levy**; in the context of this matrix, refers to payments made by the State and City of New York on behalf of CUNY for both personal service (PS) and other than personnel costs (OTPS). The funding for these payments are derived from amounts appropriated by the State and City of New York; student tuition collected by CUNY and deposited with New York City; and other funds collected by CUNY and deposited with the New York State Treasury in Income Fund Reimbursable Accounts (IFR) for senior colleges and graduate and professional schools, and as miscellaneous deposits with New York City for community colleges. These deposits include Adult and Continuing Education tuition and fees.
- **Indirect Cost Recoveries** are generated by charging a pre-determined rate to externally sponsored projects and can be used at the discretion of the University. The majority of indirect cost recoveries are generated through grants and contracts administered through the Research Foundation of the City University of New York (RFCUNY). Also included in this category are funds generated from interest income and other unrestricted college-funded activities that are administrated through the RF.
- **Auxiliary Enterprise Corporations (AEC)** are separately incorporated not for profit entities created and operated for the principal purpose of benefiting the students, faculty, staff, and other members of the community of the various colleges by providing non-instructional auxiliary services and by otherwise supporting the educational mission of the college and the University. Examples of auxiliary services that an AEC may provide include: food service operations, including catering and vending; beverage "pouring rights" contracts and similar arrangements; bookstores and campus stores, both physical and virtual; student, faculty and staff housing and related services; sports, health, and recreation facilities licensing, memberships and camps; parking operations and transportation services; short-term licensing of college facilities to third parties; and such other auxiliary services as mutually agreed by the AEC and the college. **The AEC column on the matrix below represents the costs associated with operating the Auxiliary's activities.** An AEC may have funds remaining after paying its expenses related to the auxiliary services it provides ("surplus funds"); **these surplus funds are considered part of the Other Non-Tax Levy funds column for the purpose of the matrix.** Refer to the Auxiliary Enterprise Corporation Guidelines for further information.



- **College Foundations** are separately incorporated not-for-profit entities created and operated exclusively to benefit a particular college, operation, or CUNY generally by conducting fundraising, investment and fund management including endowment management, and otherwise aiding and promoting the educational and charitable purposes and lawful activities of that college, operation or CUNY. The majority of the foundations’ funds are derived from philanthropic dollars. The matrix below only covers the expenses from the unrestricted gifts or other unrestricted revenues of the college foundation.
- **All Other Non-Tax Levy** funds may include surplus auxiliaries funds of separately incorporated entities as defined above, auxiliary activities that are not in a separately incorporated AECs, philanthropic dollars that support the college (and not donated to the college foundation), funds provided by the foundation for the college’s use, forfeited bond deposits, interest income and insurance proceeds, etc.

**What is Not Included?**

- Separately incorporated childcare centers, performing arts centers, art galleries, and other special purpose entities (e.g., Main Street Legal Services, Inc.) are not included in the below matrix. The funds generated or received by these entities shall be used to support the services that they provide.
- Restricted gifts, grants, and contracts are NOT covered by this matrix; instead, those funds can only be used in accordance with their associated agreements.
- The use of student activity fees are not included in the attached matrix; the University is currently revising its policies and procedures related to student activity fees and once completed, those funds will be included in this matrix.

**MATRIX LEGEND**

WHITE – means that the type of expense can be purchased using the funding sources as noted in the column header. All purchases are however are subject to budget availability and proper approvals, and should support the university’s mission.

GRAY– means that the type of expense cannot be purchased using the funding sources noted in the column header. Any proposed and infrequent use of funds that are not consistent with these guidelines must be justified in writing, follow the approval processes noted above, and reported annually as part of the non-tax levy reporting requirement.



Category	Type of Expenses	Tax Levy	Indirect Cost Recoveries	Auxiliary Enterprise Corp (AEC)	Foundations	All Other Non-Tax Levy
<b>Salaries &amp; Benefits</b>	Salaries and benefits of CUNY employees to support CUNY's academic and administrative operations; any AEC or Foundation funding must be in accordance with the Foundation and AEC Guidelines, respectively					
	Salaries and benefits of CUNY employees to support the Foundation's or AEC's operation, in accordance with the Foundation and AEC guidelines, respectively					
	Salary supplements (in accordance with CUNY policy and Foundation guidelines)					
	Temporary housing for faculty and staff (refer to Publication 15-B (2017), Employer's Tax Guide to Fringe Benefits)					
	Bonuses (in accordance with CUNY policy and Foundation Guidelines)					
	Personal loans					
	Presidential housing allowance					
<b>Alcohol</b>	Alcoholic beverages					
<b>Auxiliary</b>	Management of auxiliary services (should be self-supporting)					
<b>Awards</b> non-monetary & nominal	Employee certificates, plaques, etc. (follow State policy for State funds or NYC's Directive 6 for City funds)					
	Student certificates, plaques, etc.					
<b>Consultants</b>	Program related or professional consultant, speakers, performer or guest lecturer					
<b>Contributions</b>	Political contributions					
	Sponsorship of community organizations (tables and events)					
<b>Conferences</b>  See below for related Travel costs	On Site or off site, faculty and staff retreats, conferences, training seminars, etc. (job related and must specifically advance University's or the separately-incorporated entity's mission)					
	On site or off site, student retreats, conferences, etc. (related to University's academic or administrative business)					
	External conferences (if pre-approved and related to position at CUNY or separately incorporated entity)					
	Community-sponsored programs, conference, continuing education courses (pre-approved & job related)					
<b>Hardware &amp; Software</b>	Software, printers and copiers, computer and other electronic devices					
<b>Entertainment</b>	Musicians/performers at fundraising, community development, faculty and staff recognition receptions (see Commencement exception below in Student Related section)					
	Instructional purposes (e.g., theater, dance, music)					
<b>Flowers</b>	Instructional purposes (e.g., horticulture)					
	Congratulatory/funeral employee and immediate family members, student, donor, community or business partner					
	For receptions (see Commencement exception below in Student Related section)					
<b>Food &amp; Refreshments</b>	Offsite business <sup>1</sup> meals (not while in travel status)					
	Departmental refreshments (use by offices and departments such as coffee)					
	Meals at onsite business meetings (tax levy - Guidelines for Meals Served on Premises for Business Meetings)					
	Program-related food purchases					

<sup>1</sup> A business meal is defined, as a meal that includes more than one person and has substantive and bona fide business purpose deemed essential to the University's mission.



Category	Type of Expenses	Tax Levy	Indirect Cost Recoveries	Auxiliary Enterprise Corp (AEC)	Foundations	All Other Non-Tax Levy
<b>Gifts, Giveaways &amp; Prizes</b> (cash, gift cards, gift items with no services in exchange)	Employee personal/appreciation/memorial/retirements, special occasions/incentives (may be considered a taxable fringe benefit – refer to IRS Publication 5137)					
	Incentives to students to encourage participation in mission-related activities (must be minor in value, have a legitimate business purpose {e.g., educational/research}, cannot be given out arbitrarily and all students participating should be treated in the same manner; may have tax implications)					
	At fundraising, community relations or other receptions celebrating CUNY’s faculty or staff					
<b>Lobbying</b>	Outside lobbying consultants (centrally coordinated and approved per CUNY policy)					
<b>Maintenance, Repairs &amp; Operations</b>	Equipment, materials and supplies					
	Maintenance, repair and minor construction projects					
<b>Memberships</b>	Institutional and individual professional memberships (benefits CUNY and not individual)					
	Professional license/certifications (if condition of employment)					
	Entertainment and recreational memberships (e.g., health, golf, tennis or county clubs)					
	Social/business club memberships (e.g., Economic, University club, etc.) if primarily used for University business such as institutional advancement					
<b>Office Décor</b>	Decorations (holiday, flowers, other)					
	Art, decorative items for lobbies, common areas, public spaces (CUNY property)					
	Pictures, artwork and decorative items for individual offices					
<b>Personal Expenses</b>	Purchases of or goods or services for personal use and that has no benefit to the University (e.g., child care and pet care services, non-business meals)					
<b>Promotional Materials</b>	Promotional materials at recruitment events					
	Promotional materials at internal CUNY conferences and events (attended mostly by CUNY employees)					
	Promotional materials at meetings or events with external parties to promote the University					
<b>Presidential Housing</b>	Presidential housing costs (refer to Executive Compensation policy for allowable costs)					
<b>Public Relations</b>	Fundraising activities (personnel, consultants, mailings, etc.)					
	Donations for name recognition, sponsorship of social events, etc.					
	Student recruitment and other publicity advertising					
<b>Receptions</b>	Fundraising events (can be combined with retirement or welcome)					
	Community development events					
	Employer Incentive or Recognition Programs (if using State funds must follow Section XIV.5 of the Guide to Financial Operations manual or if using City funds must follow Directive 6)					
	Other employee work related achievement or employee morale building event					
	Personal recognition events such as birthdays, weddings, baby showers, housewarming					



Category	Type of Expenses	Tax Levy	Indirect Cost Recoveries	Auxiliary Enterprise Corp (AEC)	Foundations	All Other Non-Tax Levy
<b>Recruitment</b>	Executive search costs					
	Candidate travel (to/from interview - refer to NYS and NYC travel policies for tax levy)					
	Meals and food supplies at interview/meetings					
	Moving expenses (must be included in offer letter – State funded must follow State policy and City funded costs must follow Directive 6 – refer to IRS Publication 521)					
<b>Scholarships &amp; Stipends</b>	Scholarships or waivers from tax levy funds if approved by the Board and/or State or City funding has been designated specifically for payment of tuition (must coordinate with financial aid office)					
	Scholarships from non-tax levy sources (must coordinate with financial aid office)					
	Stipends (tax levy must follow CUNY guidelines, and AEC funds must follow AEC guidelines)					
<b>Subscriptions</b>	Higher education, profession-related publications (if not available through college library electronic subscriptions)					
<b>Student Related</b>	Freshman, transfer and other student orientation					
	Student conferences and retreats, workshops, etc. with mission-related programs					
	Commencement (space rental, refreshments, flowers, entertainment, diplomas, etc. – Auxiliary “Surplus” funds can be used if approved by the AEC Board as noted in the AEC guidelines)					
	Food supplies for department orientations, formal receptions, related to program & department graduation events					
	Pre-approved student travel (related to course, program or job duties)					
<b>Supplies</b>	Common area breakroom <sup>2</sup> supplies and equipment (tax levy - water filtration systems, cups for water, soap, and maintenance and replacement of standard appliances such as microwaves and refrigerators)					
	Office, cleaning, maintenance and program supplies and materials					
<b>Travel</b>	Employee business travel (transportation, lodging and meals as appropriate when in travel status - State and City policy applicable to tax levy and encouraged for others)					
	Business class airfare if one leg of trip exceeds 7 hours or for a documented medical reason or disability					
	First class airfare					
	Travel for Board members when representing CUNY or separately incorporated entity (AEC and Foundation Board members cannot be reimbursed from tax levy)					
	Companion costs (e.g., spouse or child)					
<b>Transportation</b>	Local business travel – public transportation					
	Taxis/care service and use of personal vehicle (if public transportation or pool car is not available or feasible) refer to CUNY’s vehicle policy					
	Fines for parking or moving violations and related towing expenses, personal vehicle repairs and maintenance					

<sup>2</sup> A breakroom is a room that is accessible to all employees in an office setting where they may go to share a meal in the absence of a cafeteria.