

MEMORANDUM RE: EXPENSE REIMBURSEMENT COMPLIANCE

Central Connecticut State University (hereinafter “Central” or “University”) and The CCSU Foundation, Inc., (hereinafter “Foundation”) are committed to maintaining financial integrity and accountability in the management and approval of Central’s and the Foundation’s funds expended in furtherance of the University’s mission.

The Foundation has the authority to disburse its funds to reimburse certain expenditures of Central’s employees. However, the disbursements must follow certain Foundation and Central policies and procedures and comply with state and federal law and regulations. To that end, both Central and the Foundation are required to comply with Connecticut law, which governs aspects of state employee reimbursements. In particular, Conn. Gen. Stat. Sec. 4-37i provides: “No officer or employee of a state agency shall receive a salary, fee or loan, or any compensation or other thing of value from the foundation or withdraw funds from a foundation account for any purpose, without the written approval of the executive authority...”.

Accordingly, the President of Central, as its executive authority, must approve in writing reimbursements for Central employee salary, fees or loans, or any compensation or other things of value. From a practical standpoint, if the President chooses to appoint a designee, it must be clear that the individual approving the expenditure is free from conflict of interests and is approving of the reimbursement under the authority of the University’s President. Approval of all expense requests must comport with all applicable Central policies and procedures as well as state and federal law.

In addition to compliance with Connecticut law, the Foundation must operate in a manner consistent with its tax-exempt status under Section 501(c)(3) of the Internal Revenue Code. In general, the Foundation may not reimburse University employees in an amount that is greater than the fair market value received for the services rendered by the individual in accomplishing the Foundation’s tax-exempt purposes, which are to support the University in its educational mission.

Please note that the laws referenced above currently apply to Central and the Foundation. Accordingly, Central and the Foundation are required to take all steps necessary to immediately comply with such laws and ensure compliance moving forward.

Nothing in this document alleviates University employees of their personal responsibility to ensure that they are abiding by the state and administrative laws and regulations applicable to them and that requests for expense reimbursement are compliant with all applicable Central policies and procedures (i.e.: applicable Collective Bargaining Agreements, Code of Ethics for State of Connecticut employees, Human Resources policies, Procurement Policies, and any other relevant University financial or administrative policies)

To provide a clear framework for managing and approving expenses, ensuring transparency, accountability, and compliance with applicable laws, the Foundation in collaboration with Central will be adopting an Expense Reimbursement Policy. The Foundation and Central will circulate such Expense Reimbursement Policy to all interested stakeholders once it has been adopted by the Foundation’s Board of Directors.