

University Policy:

Business purpose

All university expenses must be considered reasonable in terms of price, purpose and necessity and must be in the best interest of the university. Therefore, each university reimbursement and payment request must be supported by a written business purpose, regardless of the item, type of service, amount or form of payment.

Additionally, names of the individuals who benefited from the transaction must be included on the payment request, regardless of source of funds, venue location (on or off campus), and form of payment used. In lieu of individual names for groups larger than ten, the approximate number of persons, and the group's identity, along with the business purpose, will be accepted.

General Guidelines – Business Purpose

The Business Purpose provides the justification for the expense, must be clearly stated on all university transactions regardless of the source of funds or form of payment, and must include the following:

1. **Brief Summary**

Provide a brief description of the expenditure.

2. **Who** was involved in the activity?

Give the name(s) of the person(s) and their organization and/or department involved in the activity. A listing of specific individuals is not required if the participants are greater than 10 and can be labeled as an identifiable group– including the number of attendees (e.g., Payroll Department; 15 employees). For large seminars and conferences, it is acceptable to estimate the number of attendees and not attach a list of attendees by name.

3. **What** activity was performed?

Explain the activity or circumstance that gave rise to the expenditure.

4. **When** did the activity occur?

Indicate the date or inclusive dates the activity took place. Specific dates are also part of the item descriptions, and dates included in the Business Purpose can be more general (the dates of an entire trip, for instance, instead of the date of each meal).

5. **Where** did the activity take place?

Give the location of the activity: to/from destinations, restaurant name and city, or other appropriate information.

6. **Why/How** was the activity done and how did it benefit USC/the award/the department/etc.?

Describe the benefit: For example, does it further ongoing research or teaching efforts?

Expenditures that benefit multiple sponsored projects or restricted gift accounts should be allocated among the relevant accounts as appropriate.

In general, a Business Purpose should be written so that someone reading it at some future time (e.g., an auditor reviewing the expense 2-3 years later) would have no questions about the activity and why it was a permissible expense.