

3-50-320 Procedure for Promotional Expenditures

Overview

This procedure provides guidance to University employees and Principal Budget Administrators (PBAs) in approving and authorizing promotional expenditures and in compliance with state regulations. The guidelines in this procedure are intended to minimize the possibility or appearance of special privilege due to position with the University or the misuse of state resources. Before agreeing to provide state resources at no cost or reduced cost in connection with a promotion, PBAs should consider [CWU policies 2-2.38 \(Use of State Property\)](#) and [7-2.2.1.2 \(Use of State Funds for Entertainment, Public Relations, University Promotion and Recruitment\)](#).

The proper stewardship of state resources, including funds, facilities, tools, property, and employees and their time is a responsibility that all state officers and employees share ([WAC 292-110-010](#)). PBAs and state employees have a fiduciary duty to ensure that the use of state resources is the most efficient in terms of time and resources.

Promotional expenditures and food or light refreshments must comply with CWU policy 7-2.2.1.2 (<http://www.cwu.edu/~pres/policies/part7.pdf>). A promotional expense should generally relate to an item or a product that could have value beyond communicating a message. Promotional expenses should clearly promote the University, and products should garner name recognition, commemorate special events, recognize certain groups, or direct people to appropriate webpages. The University should expect an economic benefit equal to or greater than the cost of the promotional expense. Requests for promotional expenses should be charged to the correct account number for "Promotion Expense" (53525).

This procedure does not apply to advertising. Advertising only communicates a message or provides information through radio, television, web, or a written document including a newspaper, magazine, flyer, or billboard. This procedure should not limit self-support departments in normal profit making business operations. Promotional expenditures related to grants and contracts must comply with the guidelines prescribed in the grants and contracts which may be more broadly interpreted than this procedure. CWU Foundation expenditures are not limited by this procedure or by state law.

Business Activities

University units occasionally seek to stimulate University business activity by offering promotions to potential customers. Such units may include Auxiliary Services and other self-supporting operations, e.g., Housing, Dining, and Athletics. For purposes of this procedure, a business promotion is considered to be a special price reduction or free goods of nominal value, and services provided to customers of the department.

Requirements

In order to comply with University policy, the expense must meet the following requirements relative to promotions:

1. The promotion must be consistent with the mission of the University and the department. <http://www.cwu.edu/~pres/mission.html>
2. A memorandum of approval for promotional expenditures must be signed by the Principal Budget Administrator in advance of the event and must include the following:
 - o the amount of the requisition,
 - o an estimate of the number of people receiving or benefiting from the promotional expenditure,
 - o the purpose of the promotional expenditure, and
 - o the economic benefit related to the promotional expenditure.

Or, the promotional expenditure must be consistent with a written marketing or business plan that has been approved by the responsible PBA, area administrator, e.g., dean, vice president, provost, associate vice president. The plan must be approved and in place before the promotion is offered.

3. The unit accounts for the actual cost of each promotion transaction as a promotional expense.
4. The promotion may not be offered to or accepted by employees, supervisors, or administrators of the sponsoring department offering the promotion.
5. Discounts or reduced prices are not to be provided as a special privilege. Such a practice is a violation of [CWU Policy 2-2.7.5](#) and [RCW 42.52.070](#) (Special Privileges). A business promotion that includes discounts and reduced prices is to be provided to all persons who purchase a given product or service. This requirement applies to discounts and reduced prices related to the promotion only. It does not apply to standard pricing. For example, the standard price for children's entry to an event may be less than the standard price for adults or standard staff prices might be less than standard prices for the general public.

Non-business Activities

University academic and support departments occasionally seek to promote an activity, entity, or idea by providing items at no charge to the public or University personnel. Such items might include items of nominal value that identify the department or the University that are distributed at a conference. The PBA is responsible to observe all requirements relative to non-business promotions.

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2. A memorandum of approval for promotional expenditures must be signed by the Principal Budget Administrator in advance of the event and must include the following:
 - the amount of the requisition,
 - an estimate of the number of people receiving or benefiting from the promotional expenditure,
 - the purpose of the promotional expenditure, and
 - the benefit related to the promotional expenditure.

3. Each item provided must be of nominal value. Examples would include pens, key rings, calendars, mouse pads, etc. Those with questions about nominal value should contact the Purchasing Office at extension 1002.
<http://www.cwu.edu/~purchase/index.html>