

Business Purpose Quick Guide



Elements of a Business Purpose	Questions to Answer to help complete a business purpose
Who	Who attended the meal, function or event? What is the person's relationship to the University? Include the title of employees in attendance from the University.
What	What is the item or service being used for? What is the name of the conference or seminar? What agenda items were discussed at the meeting?
Where	Where did the meal, function or event take place
When	When did the meal, function or event take place? When was the expense incurred?
How/Why	How or why did this transaction benefit the University?

In certain cases, there are items that may need additional information / explanation. Below is a sample of items that may need additional information

Additional Explanation Required
Subscriptions for general interest newspapers, magazines or on-line services
Books or DVDs that by their titles do not seem to pertain to the academic field of study or area of responsibility
Meals and / or entertainment activities
Goods or services that are commonly used personally
Expenses for students—describe who was the primary beneficiary of the expense—the student or the University

Reminder: A business purpose should be written so that a person unfamiliar with University activities or someone several years from now (e.g. auditor), can read and understand the business purpose of the transaction.

**Financial Services
Quick Guide
Library**
finance.wfu.edu

Responsible Unit:
Accounts Payable

Additional Assistance:
ap@wfu.edu

What is it?

A business purpose is the business reason for using University funds. It is required by the IRS for any expenditure from University funds without a tax implication to the payee or employee.

Why is it

Necessary?

So the University can be compliant with IRS regulations and provide reimbursements tax – free.

Frequently Submitted Business Purpose	IRS Compliant Business Purpose
Travel to conference on 04/16-20/2022	Professor Smith, WFU Biology Professor (who), traveled to the Vascular Cell Conference (what) held on 04/16-20-2022 (when) in Ventura, CA (where) for research being performed for a NIH grant (why)
Travel for faculty and two students to present research	Professor Smith, WFU Biology Professor, and two PhD students, Jamie Todd and Brittany Shelf (who), attended the Vascular Cell Conference (what) held on 04/16-20/2022 (when) in Ventura, CA (where). This research was sponsored by an NIH grant and the presentation was a requirement of the grant. The primary benefit was to the University (how/why—and additional information for student disbursements).
Graduation dinner for mathematics students	Professor Kennedy (Department Chair), Professor Mack (WFU Mathematics Professor), Associate Mathematics Professor Larky, and all 15 MAT201 students (who) celebrated the attainment of their degrees (how/why). Dinner (what) held at Milner's (where) on 05/19/2022 (when).
Honorarium for guest speaker in the Theatre department	Honorarium (what) for guest speaker, George Clooney (who), who spoke to our students on film and the benefits of theatre (how/why). Speech held on 06/30/2022 (when) in the Scales Fine Arts Theatre (where).
Computer for research	Additional computer (what), other than the standard University issued laptop, for research (how/why). I need the additional computer for research because the University issued laptop does not allow certain software to be loaded—only available on a MAC (additional why). The University issued laptop will be returned to the University—I will only need one computer. My research on micro-organisms is sponsored both by the University and a grant.
Tablet for use in the department and while traveling	Tablet (what) needed for use while traveling on University business and for use while traveling between campus locations (why). This will lend to sustainability because I won't have to print documents (why).
Consultants working 11/12/2022 – 12/31/2022	Consultants (who) to perform a process flow assessment for the dining and vending areas of the University (what). This will help the University realize efficiencies and potentially reduce cost (how/why).

Note: A copy of the contract or information to clarify the type of service being performed must be sent to Accounts Payable. If confidential, the department must retain the contract on file for 7 years.

Lunch with Ron Crawford

Lunch (what) between Miles Stanley and Ron Crawford, Biology Professors (who and relationship), to discuss University business (why) because confidentiality must be maintained and there was no other time to meet. Because of the subject discussed, lunch was held at an offsite restaurant. Lunch was held on 04/18/2022 (when). Details of the meeting will be kept on file in the department in case of review or audit.