Expenditures Supplemental Policy

1. POLICY

Issued: July 29, 2025
Last Revised: New
Last Reviewed: New

Applies to: *All faculty, staff, and academic personnel at the University of Southern California. This policy does not apply to those working for the university health system.*

Background

In response to the announcements from the President's Office dated March 24, 2025, and July 14, 2025, the university is implementing additional measures to limit and reduce institutional expenditures.

2. Policy Purpose

The purpose is to provide additional support to the university's financial sustainability efforts, while still upholding our core academic mission. University schools and departments may adopt more restrictive policies, and such restrictions must be monitored through school and department level controls.

3. Scope and Application

All university funded transactions including unrestricted, restricted, grants and contracts.

4. Definitions

N/A

5. Policy Details

Meals

Meal expenses may be expensed only under the following circumstances:

- When incurred during official university business trips that include at least one overnight stay, capped at university daily meal limits. Maximum Rates – USC Business Services
- Meals provided as part of approved events, such as conferences, workshops, student programs, student-related events, Board of Counselors or advisory board meetings, or

academic functions including department faculty and staff meetings. Such events must have documented pre-approval from a Dean, SVP or their designee.
- Meals involving current or prospective university donors are allowable when they directly support development efforts or university advancement. Documentation must include the donor's name and the purpose of the meeting.
- Meals pertaining to engagements with suppliers, consultants, or other external parties are allowed but must be pre-approved by a Dean/VP, SVP, or university President

Meal expenses are not allowed when incurred for the following purposes:
- Routine business engagement with university colleagues, peers, or staff. Examples include, but not limited to:
    - Recurring internal meetings (e.g., weekly staff check-ins, project status updates
    - Performance reviews or one-on-one supervision meetings
    - Casual team lunches
    - Welcome meetings for new hires without a pre-approved formal onboarding event
    - Informal discussions about ongoing work or planning
    - Meetings held over a meal for convenience, not necessity
    - Ad hoc work collaboration meetings with peers or staff

Additionally, all allowable meals must be conducted in full compliance with the university's Expenditures policies (link).

Alcohol

Alcohol purchase is permitted only under the following circumstances:
- The expense is for a university-sponsored event that has been pre-approved by a Dean, SVP, or their designee.
- The expense is directly related to donor engagement, with documentation clearly identifying the donor and the purpose of the meeting or event.
- Pertaining to engagements with suppliers, consultants, or other external parties are allowed but must be pre-approved by a Dean/VP, SVP, or their designee

Alcohol purchases are not allowed for the following situations:
- Routine business meetings with university colleagues, peers, or staff
- Student events or any student-related functions.
- General entertainment or social purposes not aligned with approved university business (i.e. department outings to sports events, guests and donors attending USC sporting events)

Additionally, all allowable alcohol purchases must be conducted in full compliance with the university's Expenditures policies https://policy.usc.edu/usc-policies/policies-by-topic/expenditures-and-procurement/ and Travel & Expense – USC Business Services

Honorarium

Honorarium payments are intended to provide a nominal token of appreciation for services that are voluntary and not subject to a contract or employment relationship.

To ensure fiscally responsible practices the following must be followed:

- Honorarium payments are limited to a maximum of $500 per transaction.
- Any honorarium exceeding $500 must receive prior written approval from a Dean/VP

Additionally, all Honorarium payments must be conducted in full compliance with the university's Expenditures policies. Supplier Invoice Requests – USC Business Services

Gifts

Gifts may not be purchased for non-work-related occasions, including but not limited to:

- Birthdays
- Weddings or personal life events
- Welcome or congratulatory gifts not tied to a professional milestone

Gifts may be purchased only under the following circumstances:

- Expressions of sympathy (e.g., bereavement flowers or cards)
- Employee morale initiatives (e.g., team recognition events)
- University approved events with a documented business purpose
- Employee retirements
- Donor, student, or other external stakeholder-related recognition, where appropriate
- Holiday or seasonal gifts should be limited in nature and require prior approval from a Dean or Senior Vice President

To support cost containment efforts, gifting is limited to a maximum of $100 Maximum Rates – USC Business Services. No exception approvals will be granted for gift expenditures exceeding this threshold. Any amount above $100 must be paid from personal funds and clearly documented as such. By exception, gifts supporting the university's mission larger than $100 (e.g. commencement speaker) may be allowed with Dean or SVP approval.

Events

University events are allowed when mission-aligned, strategically important, and serve a clear business or academic purpose. Examples of allowable events include:
Academic or Strategic Events

- Academic symposia, conferences, or research forums
- Events tied to strategic initiatives, grants, or externally funded research dissemination
- Donor, alumni, and development events with advancement objectives

Student-Related Events

- Orientation, commencement, and other official milestone events
- Student recruitment, retention, or career development events
- Recognized student organization events, if funded through approved student fees

Employee and Institutional Events

- Employee recognition (e.g., years of service, retirements)
- Town halls or professional development workshops
- Departmental retreats or off-site meetings should be limited in nature and require prior approval from a SVP

Ceremonial or Required Events

- Official university ceremonies (e.g., inaugurations, building dedications)
- Public or civic engagement events hosted in partnership with government or community organizations

To align with cost-containment goals, the following types of events are not:

- Social gatherings not tied to university business (e.g., team-building lunches, birthday celebrations)
- Internal celebrations without a direct business justification or campus-wide significance

General Requirements for All Events

- Events must be pre-approved by a Dean, SVP or their designee.
- All expenses must comply with university procurement, travel, and hospitality policies.
- Units are encouraged to consolidate events and select on-campus venues to minimize costs.

Additionally, all events must be conducted in full compliance with the university's policies

Independent Contractors

- Use of Independent Contractors is limited to:
    - highly specialized knowledge or skills not available within the university
    - Work is Project-Based
    - The work is outside the institution's regular functions and not expected to be performed on a continuing basis.
    - Requires Dean or SVP approval (or their designee)

Additionally, all Independent Contractor engagements must be conducted in full compliance with the university's Human Resources and Expenditures policies. Independent Contractors – USC Business Services

6. Procedures

N/A

7. Forms

N/A

8. Responsibilities

University schools and administrative departments are responsible for ensuring compliance with this policy.

9. Related Information

Travel Expenditures Supplemental Policy

10. Contacts

Please direct any questions regarding this policy to:

OFFICE	PHONE	EMAIL
Business Services	(213) 740-2281	

Additional information can be found on the USC Business Services Website.