

# Kellogg Project Impact Social Entrepreneurship Funding Reimbursement Policy

(For the Kellogg Project Impact Discovery Funding policy, please see [here](#) instead).

To leverage students' business acumen for sustainable positive impact on people and the planet, all Kellogg students are encouraged to apply for financial support for their social impact projects. Social Impact funding is made possible through a generous gift from the Combe Family and covers up to 80% of eligible expenses for social ventures.

- 1) **Social Entrepreneurship Business Expenses:** financial support for social impact startups, pilot/prototype funding, executive shadowing, field & market research. Eligible expenses are meant to propel a business forward and are not meant to cover routine expenses like employee salary.
- 2) **Summer Income Stipends:** financial support for full-time work on a student entrepreneurial venture (please see [website](#) for summer stipend details)

## **Eligibility:**

- The program is only open to current Kellogg students.
- Ventures must be approved by the Social Impact team for funding
- Quarterly budgets must be submitted for approval in the first 3 weeks of the quarter
- Expenses must be paid upfront and submitted for reimbursement at the end of the quarter (80% of pre-approved expenses are reimbursed) Expenses must be incurred by the student or the venture (not a teammate)

## **Eligible Expenses:**

- Business expenses related to your social venture, such as:
  - Travel to meet with prospective clients
  - Website development & maintenance
  - Marketing costs
  - Intern/consultant fees\* (see below for more details)
  - Product design
  - Sample production
  - Legal fees
- Summer income
- Access and/or subscriptions to data sets, journals, scholarly material

## **Ineligible Expenses:**

- Food and alcohol
- Travel costs for normal commute between home and school
- Capital equipment such as computers
- Office space
- Employee salaries\*

## **Travel Reimbursement Policies:** (also subject to the University's rules related to travel)

### Transportation

- Airfare: submit both receipt and boarding passes – only coach/economy are reimbursable
- Ground transportation: taxi, rail, shuttle service, and parking – ask to have receipt issued and

include tip

- Personal auto use: submit Google map showing route origin, destination, and mileage

### Lodging

- Hotel: Final itemized bill showing number of nights and amount paid (tax will be reimbursed). Rates must be reasonable. If students share a hotel room, either one student can pay and seek reimbursement for the total, or each team member can pay their portion of the expense and request reimbursement for that portion alone.

### Foreign Travel

- For a transaction in a foreign currency, the original itemized receipt plus documentation of the exchange rate is required. This can be either:
  - a credit card statement showing the USD amount paid, or
  - a US dollar equivalent generated by [Oanda.com](https://www.oanda.com) (enter currency type, 4% for Interbank, and date of each expense transaction). Please submit a screenshot of each currency conversion in the combined .pdf with your receipts. Also add a column to the expense spreadsheet so that both foreign currency amount and amount in US\$ are shown.

### **Intern/Consultant Hiring Policies:**

\*Labor is rarely an allowable expense. When allowable, the labor in question must be temporary in nature and dedicated to discrete venture-building projects rather than the core operation of the business.

All labor expenses, including contractors and interns must be explicitly pre-approved, conform to salary or competitive bidding policies. Interns or contractors are more likely to be approved than team compensation.

- If intern/consulting spending exceeds 25% of quarterly budget, prior faculty approval is required
- Any interns and/or consultants must invoice founders, including name, address, start/end dates, pay rate, # hours worked & summary of work completed
- For reimbursement, founders must submit both:
  - invoice from interns/consultants, and
  - proof that the invoice was paid, (such as credit card statement, PayPal screenshot, etc.)
- The pay rate for interns should not exceed:
  - For undergrads: NU's maximum compensation for work study students (<https://undergradaid.northwestern.edu/work-study/employers/post-a-job-and-candidate-selection/wage-and-hours.html>) (\$15.55 as of 9/22)
  - For grads: undergrad rate +50% (\$23.33 as of 9/22)
- The pay rate for consultants (experts doing specialized work) is set by the market and founders' responsible stewardship of Social Impact funding. To ensure reasonable rates, founders must either:
  - Show 3 competitive bids for the work, or
  - Show proof of research on fair market price for comparable work
- If proposed consultant is a fellow MBA student, prior approval from faculty is required

### **Funding Process:**

1. Before participating in the program, all students must submit applications for their ventures to be approved for funding: [New Venture Entrepreneurship Funding Application](#).
2. Once your venture has been approved for funding, you will receive a unique URL that you will use **every quarter** to apply for funding. Quarterly applications for funding must be received by the following dates (exceptions will be made for the first quarter students are applying):
  - Fall Quarter: October 15
  - Winter Quarter: January 25

- Spring Quarter: April 20
  - Summer Quarter: July 15
3. Applications will generally be approved within 5 working days of receipt. If approved, you will receive an email including a unique reimbursement link that you will use to submit your updated budget with actual expenses along with receipts and proof of payment. (That link will only be used for reporting for that particular quarter. Every quarter you will receive a new reporting link.) If anticipated expenses change significantly after approval, changes must be pre-approved to ensure reimbursement. The Social Impact team has the right to refuse reimbursement for any expenses that are not approved.
  4. **After** expenses are paid, request reimbursement by using the link in your funding approval email to submit your receipts, proof of payment and an updated expense spreadsheet detailing your expenses. Quarterly funding reports must be received by the following dates:
    - Fall Quarter reports: January 18
    - Winter Quarter reports: April 12
    - Spring Quarter reports: July 8
    - Summer Quarter reports: October 8

Note: normally the person who incurs the expense is reimbursed as an individual. Please inform the Social Impact team if you prefer that reimbursement be paid to your company rather than to you as an individual.

#### Receipt requirements:

- Receipts need to be **actual receipts, proving how the expense was paid** (usually showing the last 4 digits of the credit card used for the payment. Purchase confirmations, estimates, reservations, invoices, and illegible photos (please scan if possible) will be rejected.
- Receipts need to be itemized (i.e. show what was purchased), and show date & amount.
- Combine all receipts into one .pdf file for submission, organized in expense date order (each receipt needs to correspond to a separate line on your expense spreadsheet).

#### Expense spreadsheet:

- Use exact dollar amounts with 2 decimal places (do not round up or down)
  - List expenses in expense date order, so each line matches one receipt
5. Once you submit your receipts and updated expense spreadsheet, an expense report will be generated for you to sign/return. The signed expense report will then be sent to the NU Finance team for approvals and processing. Please note the reimbursement process can take anywhere from **4-6 weeks** from the date on which you submit everything.

### **Funding Caps**

(for student learning/Discovery Funding caps, see [these guidelines](#) instead)

- Up to **\$5,000 per academic quarter** (including summer) for venture-related expenses
- Up to **\$10,000** summer income stipend if working on your venture full-time (in addition to expenses)
- Lifetime Max: Up to **\$50,000**

#### **Example:**

An entrepreneurial Kellogg student with their own venture/startup is eligible for up to \$5,000 in funding per quarter for expenses related to that venture. Additionally, if they decide to work on the venture full-time over the summer (and do NOT have another full-time internship) they would be eligible for a

\$10,000 stipend for the summer.

**Request for Exception**

If you have exigent circumstances or overwhelming financial need and would like to discuss a request for an exception, please contact us at [socialimpact@kellogg.northwestern.edu](mailto:socialimpact@kellogg.northwestern.edu).