

2012

FINANCIAL POLICIES

ADMINISTRATION AND FINANCE

Financial policies covering Fiscal Responsibility; Procurement; Travel, Moving and Relocation Expenses and Hosting, Hospitality and Entertainment.



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SECTION I: FISCAL RESPONSIBILITY

1.0 FISCAL ROLES AND RESPONSIBILITY

1.1 PURPOSE

To establish a policy outlining the fiscal roles and responsibilities of University employees.

1.2 POLICY STATEMENT

The University has a fiduciary responsibility to fulfill its overall mission ethically and in compliance with applicable laws, policies, regulations, and rules, contract and grant requirements, and donor-restrictions. Accordingly, all administrators, faculty and staff of the University have a stewardship responsibility to support and enhance the mission of the University, to ensure that the University fulfills its legal and financial obligations to internal and external stakeholders, to safeguard the University's financial, human, information and physical assets, and to faithfully honor all its obligations as a public trust. To facilitate the successful fulfillment of this obligation, it is important to establish that every employee of the University has a defined role that is faithfully carried out, consistent with that employee's responsibility, to help the institution honor its public trust. This applies to all employees, including managers and supervisors, department heads, deans, directors, vice presidents, provost, president, and other University officials. All employees must be advised of their fiscal roles and responsibilities during their orientation as employees of the University.

1.3 SCOPE AND APPLICABILITY

This policy statement establishes the fiscal roles and responsibilities of employees by providing guidance regarding the framework within which their financial responsibility is exercised at the University. This policy applies to all University funds, regardless of source, and applies equally to all University schools, operating units, administrative officers, faculty, and staff.

1.4 FISCAL ROLES AND RESPONSIBILITIES

The fiscal roles and responsibilities that are necessary to maintain the fiscal integrity of the University are distributed throughout the institution based on the institution's organization hierarchy and the administrative structure applicable to the management of the institution's financial resources. A given employee may perform several fiscal roles. Employees must be familiar with the fiscal responsibilities appropriate to the various fiscal roles they are called upon to exercise. The following is a description of the types and related hierarchy of fiscal roles and associated responsibilities within University management.

A. Trustees

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The University's Board of Trustees maintains ultimate responsibility for the well-being and long-term viability of the University. Their responsibilities include fiduciary ones, and accordingly, are the highest fiscal authority for the institution.

B. President

The President is the chief executive officer of the University responsible and accountable to the Board of Trustees for all academic, fiscal, and operational matters of the University, including compliance with all applicable laws, policies, rules, and regulations.

C. Corporate Officers of the University

In addition to the President, and in accordance with the Bylaws of the Board of Trustees, other Corporate Officers of the University are the Provost, the Vice President for Administration and Finance who serves as Corporate Secretary/Treasurer of the University, the Vice President for Institutional Advancement, and the Internal Auditor.

D. Administrators

The administrators, or persons acting as administrators of the University, are those individuals who provide administrative and fiscal leadership for a major functional area of responsibility within the University. They have ultimate responsibility under the President for the fiscal integrity of the functional organization they oversee and direct. Their fiscal role is to provide leadership and oversight and to develop and maintain a culture of fiscal responsibility to ensure that all funds are spent and managed in accordance with the goals, objectives and mission of the organization and in accordance with all applicable University policies and regulations.

In addition to the President, administrators of the University consist of individuals who hold titles such as Provost, Vice President, Chief Information Officer, Associate Vice President, Vice-Provost, Associate Provost, Deans of schools and colleges, and the Controller. This includes anyone serving in a position that has a broad functional and leadership role with oversight responsibility for the direction of separately budgeted departments or programs, managed at the operating level by fiscal principals and such other persons or titles designated by the President from time to time to serve as administrators of the University.

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The financial leadership role exercised by administrators of the University includes the following responsibilities:

1. Taking reasonable actions to ensure that employees within their functional area of responsibility have been informed about their fiscal roles and are properly carrying out their fiscal responsibilities;
2. Initiating appropriate investigative, reporting and remedial action as a result of the financial review process consistent with their assigned fiscal duties;
3. Setting an example within their functional area of responsibility for ethical conduct and integrity as outlined in the University's policy on Code of Business Conduct and Ethics;
4. Ensuring the maintenance of internal controls through continuous assessment and adjustment, and initiating immediate discussions with the Controller and disclosing any reportable conditions and material weaknesses in internal controls;
5. Identifying and documenting the delegation of approval authority within their functional area of responsibility, with careful consideration for proper segregation of duties; prevention of fraud, abuse or conflict of interests; and University policies preventing further delegation;
6. Ensuring that they exercise their approval authority properly;
7. Taking reasonable actions to ensure that the approval authority they delegate is utilize properly; and
8. Being knowledgeable about their responsibility and accountability for the operations of their functional area of responsibility regardless of delegation.

E. Fiscal Principals

Fiscal principals, or persons acting as fiscal principals, are those individuals who have direct operational responsibility for how funds are spent and managed in a department, unit or program for which they are responsible. Their fiscal role is to ensure that funds are managed in keeping with the goals, objectives and mission of the organizational unit or program, that expenditures are made in accordance with the approved budget, are spent in compliance with all applicable policies, rules and regulations and are fully and properly accounted for in a manner that is consistent with the University's accounting procedures.

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Fiscal principals include department and unit heads with direct approving authority for the expenditure of funds as well as principal investigators managing sponsored programs. Additionally, an administrator of the University is deemed to be acting in the role of a fiscal principal when directly approving expenditures for the management and operation of a budget unit for which he or she is the signature authority.

The financial operational role exercised by fiscal principals includes the following responsibilities:

1. Taking reasonable action to ensure that subordinate employees within their responsibility units have been informed about their Fiscal Roles and are properly carrying out their fiscal responsibilities;
2. Providing guidance and direction to subordinate employees in carrying out their assigned fiscal duties;
3. Initiating appropriate investigative, reporting and remedial action in response to periodic financial reviews;
4. Ensuring that they exercise their approval authority properly;
5. Taking reasonable actions to ensure that the approval authority they delegate is utilized properly;
6. Assisting in setting a tone within their responsibility unit and the University as a whole for ethical conduct and integrity, as outlined in the University's policy on Code of Business Conduct and Ethics;
7. Assisting in continuously assessing and adjusting, or making recommendation for adjusting, internal controls, and initiating immediate discussions with the appropriate Officer and disclosing any reportable conditions and material weaknesses in internal controls; and
8. Being knowledgeable about their responsibility and accountability for the fiscal transactions of their responsibility units regardless of delegation.

F. Fiscal Officers

Fiscal officers are those individuals who provide daily fiscal control and oversight with respect to how the funds of a program, or the University, are spent and managed. Their role is to provide financial control and oversight to ensure that funds are spent according to fiscal policy, that funds are spent in alignment with the account purpose, that processes and controls are in

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place, that assets are safeguarded, that transactions are recorded and reported properly, that accounts are properly balanced and reconciled, and that either the expenditures are in conformity with the budget, or appropriate budget changes have been made to reflect a change in the original budget.

Fiscal officers include the Controller, budget officers, or persons within a department or a component with budget and financial control responsibilities.

The financial control and oversight role exercised by fiscal officers include the following responsibilities:

1. Taking reasonable action to ensure that subordinate employees within their responsibility units have been informed about their fiscal roles and are properly carrying out their fiscal responsibilities;
2. Initiating appropriate investigative, reporting, and remedial action as a result of the financial review process;
3. Ensuring that they utilize their approval authority properly and taking reasonable actions to ensure that the approval authority they have delegated is utilized properly;
4. Being familiar with financial policies and procedures and ensuring that all relevant laws, University policies, procedures, regulations, and rules, and contracts, grants and donor restrictions are available to the University community;
5. Assisting in continuously assessing and adjusting, or making recommendation for adjusting internal controls, and initiating immediate discussions and disclosures of any reportable conditions and material weaknesses in internal controls with the appropriate administrative officer, fiscal principal or Controller;
6. Ensuring that all access granted to financial information is in accordance with University policies;
7. Ensuring approval authority which they delegate is used properly; and
8. Assisting in the maintenance (through continuous assessment and adjustment) of Internal Controls, including documented organizational plans and fiscal procedures.

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G. Fiscal Staff

Fiscal staff refers to any employee at the University involved in University fiscal transactions, such as initiating purchases, receiving cash or negotiable instruments, entering or reviewing transactions into the University's finance system, monitoring contractors, or verifying compliance.

H. Other Responsibilities Applicable to University Officers, Fiscal Principals, Fiscal Officers or Fiscal Staff

Employees who personally participate in a fiscal transaction have the following fiscal responsibilities, which are not intended to be exclusive, as appropriate to their level of involvement:

1. Ensuring that there is proper authorization for the fiscal transaction, including requisite reviews, proper documentation, adequate funds are allocated or otherwise available within regularly approved budgets to cover it; it is properly recorded in the University's Finance System in a timely manner in accordance with all other University accounting policies; it complies with all University and other applicable laws, policies, regulations, and rules, and contracts, grants and donor restrictions and will result in no violation of the University's Conflict of Interest policy.
2. Challenging any transaction that does not appear to be an appropriate expenditure of University funds.
3. Seeking confidential consultation with an appropriate administrator of the University, fiscal principal, Controller, Vice President for Administration and Finance, or the Internal Auditor if asked to perform a fiscal activity or approval that may be inconsistent with University policies or requirements.
4. The University Controller will provide training and support on fiscal roles and responsibilities.

1.5 POLICY IMPLEMENTATION

The President has delegated to the Vice President for Administration and Finance and, through the Vice President, to the University Controller the overall responsibility for the development and implementation of the financial management guidelines to satisfy the fiduciary obligations of the University and to provide the necessary training and support on fiscal roles and responsibilities.

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To facilitate the successful fulfillment of the fiscal roles and responsibilities defined in this policy, all Fiscal Employees are required to comply with the following interrelated Financial Policy Statements:

1. Policy on Internal Controls
2. Business Code of Conduct and Ethics

2.0 POLICY ON INTERNAL CONTROLS

2.1 PURPOSE

To describe general policy guidelines for establishing and maintaining a strong and effective internal control system for the efficient management of financial and business affairs of the University.

2.2 POLICY STATEMENT

The University has a fiduciary responsibility to ensure that its financial operations are carried out effectively and efficiently and that its financial reporting meets the highest tests of validity and reliability and that University funds are used only for official University business in full compliance with applicable laws, policies, regulations, rules, contract, grant and donor restrictions as well as generally accepted accounting principles. Accordingly, the University will exercise appropriate fiscal responsibility over all funds and financial resources in its custody by implementing an effective system of internal controls and other sound financial policies and practices that ensure the highest level of fiscal accountability. The internal control system shall be designed to incorporate the following five components:

1. An optimal control environment that sets the tone for the organization, clearly defines fiscal roles and responsibilities, establishes financial policies and practices based on well-established accounting principles and employs due diligence in enforcing compliance with those policies.
2. Risk assessment procedures designed to identify and analyze relevant threats and exposures and their consequence and their potential for adverse impacts on the institution.
3. Control activities including appropriate policies and procedures to ensure management directives are carried out, objectives are achieved and risks are mitigated.
4. Information and communication systems that support the identification, capture and exchange of information in a timely manner to allow people to carry out their duties and responsibilities.
5. Monitoring processes that assess the overall quality and effectiveness of internal controls over time.

2.3 DEFINITION

Internal controls refers to and include practices and procedures for ensuring reliable financial information, establishing accountability and safeguarding of assets and determining that transactions are proper for the account and in compliance with applicable statutes, University policies and regulations.

2.4 INTERNAL CONTROL ENVIRONMENT

The University shall establish organizational plans and procedures designed to maintain an effective internal control environment so as to:

1. Safeguard and protect assets of the institution, such as facilities, data, equipment, supplies, inventory, accounts receivables, and cash (including checks and credit card payments), from unauthorized access or theft;
2. Establish a clearly defined system of authorization for approval of financial transactions;
3. Ensure the accuracy and reliability of accounting data and other management information;
4. Promote operational efficiency and effectiveness;
5. Ensure adherence to prescribed policies and compliance with all applicable laws, regulations, policies, and rules, as well as contracts, grants, or donor restrictions;
6. Institute an effective process of continuous assessment to minimize and mitigate risks and to make appropriate adjustment for any changes in conditions that affect the internal controls.

2.5 STANDARDS FOR INTERNAL CONTROLS

The University shall establish procedures for implementing internal controls and best business practices that:

1. Comply with Generally Accepted Accounting Principles of the Governmental Accounting Standards Board (GASB);
2. Carry out the operations of the University without material weakness in internal controls as defined by GASB and, where applicable, Cost Principles for Educational Institutions articulated in *2 CFR, Part 220* and Uniform Administrative Requirements

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for Grants and Other Agreements with Institutions of Higher Education, Hospitals and Other Non-Profit Organizations as provided for in *2 CFR, Part 215*.

3. Hire and use external auditors and maintain an internal audit function in keeping with the Bylaws of the Board of Trustees.
4. Maintain annual audited financial statements with a goal of receiving an unqualified opinion.

Responsibility of Administrative Officers for Internal control

Administrative Officers are responsible for conducting the business activities of the University in a manner consistent with good internal control policies and procedures. Individuals responsible for administering University funds are expected to:

1. Ensure that internal control procedures are available to and understood by those carrying out financial transactions;
2. Grant or delegate financial authority carefully, with consideration for proper segregation of duties;
3. Ensure that appropriate reviews and monitoring take place, including regular review of transactions for reasonableness and necessity, and conduct a periodic review of operating reports and performance indicators;
4. Hold individuals accountable for their actions when enforcing compliance with internal control policies and procedures.
5. Communicate financial information properly and in a timely manner, and grant access to financial information only for appropriate business uses; and
6. Set a tone within the University on ethical conduct and integrity.

2.6 REVIEW AND EVALUATION OF INTERNAL CONTROLS

The President has delegated to the Vice President for Administration and Finance and by extension the University Controller, the primary responsibility for the promulgation of policies and procedures for the purpose of establishing and maintaining an effective system of internal controls within the University

A. Reporting of Internal Control Weaknesses

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Any observed weaknesses in internal control should be brought to the attention of the Vice President for Administration and Finance and/or the Internal Auditor.

B. Procedures and Guidelines

The President and Vice President for Administration and Finance are authorized to establish financial business procedures and guidelines to carry out the provisions of this policy.

3.0 POLICY ON CODE OF BUSINESS CONDUCT AND ETHICS

3.1 INTRODUCTION

It is the goal of University to adhere to the highest ethical standards in all that it does. The University expects that those who are part of the University community, including faculty, staff and student-employees (“University Personnel”) will adhere to such standards in their dealings with each other and with those beyond the University community. Ethical business conduct calls for all University personnel to assume responsibility for safeguarding and preserving the University’s assets and resources in the fulfillment of its mission. The University will comply fully with all relevant laws and all contract and grant requirements, as well as with its own high standards of integrity and quality. University personnel are expected to assume personal responsibility and accountability for understanding relevant laws, rules, and regulations, and contract and grant requirements. In addition to complying with specific laws, rules, or regulations that govern business activities, standards of fairness, honesty, and respect for the rights of others will govern the University’s conduct at all times.

3.2 ETHICAL PRINCIPLES

A. Compliance with Laws

The University will transact its business in compliance with the laws of the Virgin Islands and all other applicable federal laws. University personnel will familiarize themselves with any legal obligations arising out of the work done for the University, including but not limited to the obligations to comply with applicable recordkeeping requirements and not to retaliate against anyone who reports a suspected violation of the law. If questions arise regarding compliance with the law, or if it appears that a University policy conflicts with the relevant law, the personnel who become aware of that situation should contact the University office that has oversight responsibility for the policy or the Internal Auditor.

B. Contractual and Grant Obligations

In addition to its commitment to comply with applicable laws, the University recognizes its contractual obligations to donors, the government, suppliers, research sponsors, employees and others with whom it contracts. Regardless of the source of funds, the University will honor and adhere to its contractual obligations.

C. Integrity and Quality

University personnel are called upon to recognize that the University has earned and must maintain a reputation for integrity and quality that goes beyond compliance with laws, rules, regulations and contractual obligations. The University strives for excellence in administration as well as academics. Accordingly, University personnel are expected to strive at all times to

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maintain the highest standards of quality and integrity in the exercise of their responsibilities and to avoid even the appearance of misconduct or impropriety.

D. Conflict of Interest

University personnel should avoid situations that create or appear to create conflicts between their personal interests and the interests of the University. All decisions made by University personnel in the course of their professional responsibilities to the University are to be made solely on the basis of their desire to promote the best interests of the University. If an individual's personal interests might lead an independent observer reasonably to question whether the individual's actions or decisions on behalf of the University are influenced by those personal interests, the individual should recuse himself or herself from the decision making process and notify the responsible University officials, as described in more detail in the University's Conflict of Interest Policy.

Special rules concerning disclosure of conflicts relating to research are described in the Conflict of Interest Policy. In addition, it is the University's policy to comply in all respects with local and federal laws concerning conflicts of interest.

E. Confidential Information

University personnel may have access to confidential, proprietary and private information. Those who have access to such information may not make any unauthorized use or disclosures of the information, either during or after their employment by the University.

F. Antitrust Considerations

Like other economic enterprises, colleges and universities are subject to federal and state antitrust laws, which are aimed at protecting competition. For this reason, University personnel should avoid agreements or exchanges of information with other colleges and universities that adversely affect economic competition between institutions. University personnel should never enter into agreements with other colleges or universities regarding future tuition, fees, financial aid, or salary levels. In addition, it is ordinarily inadvisable for University personnel to disclose or exchange future plans or projections concerning these subjects with other colleges or universities. University personnel should not participate in surveys concerning these matters unless the survey seeks public information or information that is historical in nature. University personnel who have affiliations with other colleges and universities (e.g., on the board of trustees of another institution) should not disclose the University's non-public business information to the other institution, or vice versa.

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G. Financial Reporting

All University accounts, financial reports, expense reimbursements, time sheets and other documents, including those submitted to external reporting agencies and other stakeholders must be accurate, clear and complete and fully consistent with generally accepted standards of accounting and reporting.

H. Authority to Contract

All University transactions must be authorized by appropriate individuals and conducted in accordance with applicable University policies and procedures. Only individuals properly authorized to do so may sign financial instruments or enter into or execute contracts and other agreements on behalf of the University.

I. Consequences of Violations of University Policies

Each person is responsible for ensuring that his or her own conduct and the conduct of anyone reporting to him or her fully comply with this Code and with the University's policies. Violations may result in disciplinary action up to and including discharge from employment, in accordance with the policies of the University. Individuals found to be in violation of this Code may, in some circumstances, be subject to civil or criminal charges and penalties.

3.3 REPORTING OF SUSPECTED VIOLATIONS/EMPLOYEE PROTECTION POLICY

The University is committed to maintaining a workplace where personnel are free to raise good faith concerns regarding the University's business practices and encourages such reporting. University Personnel should report suspected violations of applicable laws, government regulations, contracts, and grant requirements, or this Code, by using normal reporting channels. Alternatively, personnel may report their suspected violations or other observed risks and exposures to a higher level of management or the Internal Auditor. If a violation is reported anonymously, the University will investigate the suspected violation to the extent possible with the level of detail that was provided for investigation. All University Personnel are expected to cooperate fully in the investigation of any suspected violation.

The University is prohibited from retaliating against any person who, in good faith, has reported a suspected violation of law ,government regulations, University policy, contracts, and grant requirements, or this Code, or has made a complaint against the University or another individual or entity with which the University has a business relationship, on the basis of a reasonable belief that the practice is in violation of law or University policy, contracts, and grant requirements, or this Code. Any Personnel who believe that they have been subjected to any form of retaliation as a result of reporting a suspected violation of law or policy should immediately report the situation to the Vice President for Administration and Finance or Internal Auditor. These officers are vested with the responsibility to conduct the appropriate investigations and make a report to the President.

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Personnel who wish to obtain information, in confidence, concerning their options for reporting suspected violations or retaliation should contact the Internal Auditor.

3.4 QUESTIONS ABOUT THIS CODE

Questions about this Code may be directed to the Vice President for Administration and Finance.

SECTION II: PROCUREMENT POLICIES

1.0 PURCHASING

1.1 PURPOSE

The purpose of this document is to establish uniform policies and guidelines for the establishment of an effective purchasing program for the acquisition of goods and services, including construction services.

1.2 POLICY STATEMENT

The University embraces its fundamental obligation to carry out its purchasing program in full compliance with all applicable laws and regulations, to build public confidence in the integrity of public purchasing at the University and to obtain the greatest value from funds expended for the benefit of the University. It is the policy of the University to obtain high quality goods and services at reasonable cost to fulfill the mission of the University, to ensure that procurement is conducted in an open, fair and impartial manner avoiding any impropriety or appearance of impropriety. The University is committed to seeking competition to the maximum degree feasible, to giving all qualified vendors access to the University's business, and to following purchasing practices and procedures designed to achieve desired levels of effectiveness and administrative efficiency.

1.3 SCOPE AND APPLICABILITY

This policy shall apply to all purchases of goods and services, including the procurement of the services of contractors for construction projects, regardless of the source of funding to be used. This applies equally to all University schools, operating units, administrative officers, faculty, and staff.

Restrictions on the use of federal funds are frequently imposed by the granting agency. If the federal grant or contract funds contains conditions that are more restrictive than the stipulations contained in these policies, the University is obliged to comply with those restrictions. Particular care shall be exercised to comply with federal laws as well as any applicable contract requirements or special terms of grants and donations.

1.4 RESPONSIBILITY

The University maintains a procurement environment in which responsibility for purchasing is shared by the President, the Vice President for Administration and Finance, the Purchasing Department, senior officers and deans of the University, the heads of departments and end-users. All employees involved in the purchasing process must take full responsibility for

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understanding the University's policies and procedures regarding purchasing and vendor relations.

A. The President

The President, as the University's Chief Executive Officer, is the University's chief contracting officer who is authorized to execute contracts and agreements on behalf of the University, and he has delegated procurement authority to the Vice President for Administration and Finance.

B. The Vice President for Administration and Finance

The Vice President for Administration and Finance is responsible for overseeing the purchasing function of the University, signing contracts and agreements based on authority delegated by the President, and for issuing appropriate guidelines and procedures for the implementation of the procurement policies.

C. Purchasing Department

The Purchasing Department is responsible for organizing and administering the purchasing function of the University, for making purchasing commitments based on authority delegated by the President and Vice President for Administration and Finance, for developing sources of supply and approving orders, obtaining quotations and bids when required, and maintaining productive relationships with vendors. For purposes of this policy, the head of the Purchasing Department is designated as the Chief Procurement Officer. The Purchasing Department is also responsible for executing and administering service contracts subject to limitations described in these policies, and ensuring the delivery of promised goods and services, and performing other support purchasing services in accordance with sound and prudent business practices to realize for the University the maximum value for every dollar expended. This department also oversees the disposal of excess property owned by the University and vending machine contracts.

D. Deans, Directors, Department Heads, and Supervisors

Senior administrators of the University have the responsibility to review and approve requests for special purchasing transactions in excess of limits which can be approved by department heads, to monitor budgets within their area of responsibility, and to ensure compliance with University policies and procedures for the procurement of goods and services.

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E. Departments Heads and Budget Approvers

Department heads and budget approvers are responsible for validating the business purposes of purchasing transactions, approving requisitions, ensuring that adequate funding is available, and ensuring compliance with University policies and procedures.

F. End-User Departments

End user departments are responsible for determining their purchasing needs are legitimate, initiating requisitions, and ensuring the proper receipt of goods and services as the basis for payments to vendors.

1.5 CODE OF ETHICS

A. Standards of Conduct

All University officials and other employees shall exercise sound business judgment and maintain the highest ethical and moral standards in the conduct of University business. Employees must discharge their duties impartially so as to ensure fair and open competition among vendors of goods and services. Moreover, they must conduct themselves in such manner as to foster confidence in the integrity of the Purchasing Department.

All employees having official responsibility for procurement transactions are vested with a public trust and responsibility which must be exercised faithfully and properly at all times and which require them to maintain a standard of conduct that is beyond reproach and is in full compliance with all applicable laws and regulations.

The University endorses the Code of Ethics as advocated by the National Association of Educational Buyers (NAEB). Purchasing personnel are expected to be familiar with this Code of Ethics and abide by it.

B. Gifts and Gratuities

It shall be a breach of ethical standards for any employee of the University to accept, solicit, or agree to accept a gratuity of any kind. Current or potential contractors are prohibited from offering an employee of the University a gratuity of any kind, except nominal gifts with a market value of \$20.00 or less, aggregating to no more than \$50.00 per year.

The conduct of University officials and employees participating in the procurement process shall be in full compliance with the University's Conflict of Interest and Disclosure Policy.

1.6 DELEGATION OF PURCHASING AUTHORITY

A. Purchasing Department

The President and the Vice President for Administration and Finance have delegated to the Purchasing Department the responsibility to manage the procurement of goods and services, with the goal of obtaining the maximum value for every dollar expended while operating in compliance with the policies of the Board and applicable administrative guidelines. To achieve this goal, the Purchasing Department has been delegated the authority to:

1. Oversee procurement activities of the University in accordance with procurement policies and administrative guidelines of the University.
2. Acquire equipment, supplies and services for all departments of the University in an economical, expeditious and reasonable manner in accordance with University procurement policies.
3. Develop and interpret procurement policy, resolve questions/disputes/protests, and promote good vendor relationships.
4. Provide advice and guidance on all University procurement activities and assist departments as needed.
5. Recommend approval of contracts, agreements, equipment leases, etc. for signing by authorized officials of the University.
6. Perform final negotiations, issue purchase orders, award contracts and assure vendor performance compliance.

1.7 HANDLING OF SPECIALIZED PURCHASES

Subject to applicable policies of the Board, the President is authorized to delegate responsibility for the ordering and/or approval of certain types of purchases or for negotiations of such purchases when coordination with a particular department will prevent unnecessary duplication of orders and will insure product compatibility and standardization, or when it is otherwise determined to be in the best interest of the University.

1.8 SIGNING AUTHORITY FOR PURCHASES

The following table specifies the threshold levels of approval for dollar expenditures for the purchase of goods and services. Procedures shall be established to ensure that the required signature approval appears on all orders or requisition for the purchase of goods and services prior to final commitment and/or processing.

A. Approval Authority for the procurement of goods and services:

1. Over \$1,000,000.00 – Board of Trustees.
2. Up to \$1,000,000.00 – University President.
3. Up to \$100,000.00 – Vice President for Administration and Finance.
4. Up to \$50,000.00 – Vice Presidents, Component Heads¹ and Deans of Schools and Colleges.
5. Up to \$10,000.00 – Department and Budget Unit Heads and their designees upon written authorization.

1.9 AVAILABILITY OF FUNDS

No purchase of materials, supplies, equipment or services shall be awarded pursuant to these procedures unless funds therefore have been approved by the Board of Trustees, or have been received through a grant or restricted appropriation to the University, and are available for the purchase.

1.10 DELEGATION OF SIGNING AUTHORITY

The procurement of supplies, equipment or services shall be approved only by a person who has been properly authorized by the University pursuant to University policy. Deans and Department heads may delegate approval authority to subordinates provided such delegation is documented in writing to the Chief Procurement Officer. Documents must include, as a minimum, the name, title, signature, and dollar limit restrictions. Part-time employees, temporary employees, consultants, and students may not be delegated approving authority. In situations where one or more of the persons whose approval is required in accordance with the above table is not available, the approval of the next highest authority of approval must be obtained.

¹ Component Head refers to a member of Cabinet with a separate budget allocation such as President, Provost, Vice President, Vice Provost, Chief Information Officer or Campus Executive Administrator.

1.11 AUTHORITY TO SIGN PURCHASE REQUISITIONS AND PURCHASE ORDERS

The University shall designate in writing those persons authorized to sign purchase requisitions and the relevant dollar thresholds that apply. A copy of the written authorization must be on file in the University's purchasing department. The Chief Procurement Officer or anyone properly delegated to act on behalf of the Chief Procurement Officer has authority to sign purchase orders.

1.12 UNAUTHORIZED PURCHASES AND EMPLOYEE LIABILITY

No person shall commit the University to agreements, licenses, contracts, leases, or other legally enforceable obligations unless authorized to do so by the Board of Trustees, or by the President in accordance with paragraph 1.8 above. Only the President or his designees are authorized to obligate the University. No University department or employee may place an order, by any means, in the name of the University without prior written permission to do so.

The University is under no obligation to authorize payment for expenditures not made in compliance with applicable policies.

Any employee who commits the University to a purchase, sale, lease or other arrangement without proper authorization may be personally liable for the transaction.

A. Prohibited Purchases

The procurement in the name of the University of goods or services for any individual or entity, whether for profit or non-profit, other than the University, is not authorized and is expressly prohibited.

1.13 PROCUREMENT METHODS BASED ON DOLLAR THRESHOLDS

Except as provided for in this policy, competition shall be the basis for selecting qualified vendors for all goods and services that are procured by the University. Persons delegated purchasing authority shall be responsible for obtaining the best value for purchases by evaluating price and other pertinent factors (e.g., quality, service) always ensuring that the best interests of the University are being served.

The following are the guidelines applicable to the selection of procurement methods for goods and services, soliciting bids/proposals and the documentation required for the process.

1. In general, a purchase with a value that is less than \$2,500 may be made following administrative guidelines for Small Purchases.

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2. Purchases costing between \$2,500 and \$25,000 may be made following administrative guidelines for the solicitation of Informal Quotation and bids.
3. Except as provided for otherwise, purchases for the procurement of goods and non-professional services that are more than \$25,000 must use the Competitive Bidding Policy.
4. The Procurement of Professional Services is subject to the following guidelines:
 - a. Written proposals are not required, but encouraged, for the purchase of professional and consultant services costing up to \$25,000.
 - b. At least two (2) written proposals, obtained through a competitive process, are required for the purchase of professional and consultant services costing more than \$25,000.
5. The procurement of repair, renovation and construction services is subject to the following guidelines:
 - a. Informal bids are acceptable for repair, renovation and construction services costing up to \$50,000.
 - b. Formal bids are required for the purchase of repair, renovation and construction services costing more than \$50,000.

1.14 EXCEPTIONS TO COMPETITIVE REQUIREMENTS

- A. Competitive procedures may be waived under these circumstances:
 1. Sole Source Purchases which are defined to mean purchases that are available only from one source, including but not limited to:
 - a. Items that are available from one source because of patents, copyrights, secret processes, or natural monopolies;
 - b. Films, manuscripts, or books published and available from only one source;
 - c. Electricity, water and other utility services;
 - d. Captive replacement parts or components for equipment;

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- e. Books, papers and other library materials for the University public library that are available only from the person holding exclusive distribution right to the materials;
 - f. Maintenance services required to maintain warranty coverage;
 - g. Purchases those are standardized or limited to a particular brand over a limited period of time to minimize costs of operations or investment in parts or specialized maintenance and repair training.
2. Emergency Purchases defined to mean purchases that respond to a situation in which lives, property or the continuation of a vital program is endangered, and which can be rectified only by immediate on-the-spot purchases or rental of goods, printing or services. A pressing need is one arising from unforeseen causes, including but not limited to, delay by contractors, delay in transportation, breakdown in machinery, or unanticipated volume of work.
3. Small Purchases defined to mean those purchases of goods, services or printing, not covered by a term contract, involving an expenditure of funds of less than \$2,500.
4. Purchases from governmental sources or purchases made under a Cooperative Purchasing Agreement.
5. Other exemptions of goods and services include the following:
- a. Speakers and performing artists;
 - b. Memberships and association dues;
 - c. Sponsored research grant sub-awards and contract sub-awards;
 - d. Purchases of materials, supplies, equipment, or services for research purposes when the Principal Investigator or designee, certifies that in a particular instance, it is necessary and required for the efficient or expeditious execution of a research project.
 - e. Conference facilities and services;
 - f. Participation in intercollegiate athletic tournaments and events including team travel and lodging, registration and tournament fees;

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- g. The procurement of specialized legal services, including attorney, paralegal, expert witness, appraisal, arbitrator or mediator services.
- h. Implementation, programming, or training services available from the owner of copyrighted software or its agent;

B. Approval of Exemptions

Only the President or the Vice President for Administration and Finance is authorized to make further exemptions to the competitive bidding policy based on a compelling need or extraordinary nature of the circumstances under consideration.

C. Determination of Price Reasonableness

When competition is restricted, lacking, or the prices offered appear excessive, the University must conduct a written price analysis to determine if the prices are fair and reasonable. The written analysis must be supported by factual evidence in sufficient detail to demonstrate why the proposed price is deemed to be reasonable. If the University determines that the prices offered are not fair and reasonable, then the University will either re-solicit to seek broader competition or use a revised specification or both. If it is a negotiated purchase, then the price should be negotiated to one that is fair and reasonable.

D. Splitting Orders

The deliberate attempt to split orders, where the purpose is keeping the total cost of each order below the threshold levels specified in paragraph 1.8 above, and failure to combine orders when practical for the interest of economy, is a violation of this policy. Any related needs that are known or should have been reasonably known at the time of the requirement should be combined into one coherent request for procurement.

1.15 INFORMAL QUOTATIONS OR BIDS

Informal competitive bidding requires the award of a contract to the lowest responsible bidder submitting a responsive quotation unless it is in the best interest of the University to reject all quotations. Unless otherwise exempted, general purchases between \$2,500 and \$25,000 and purchases for repairs, renovations and construction services between \$2,500 and \$50,000, shall be obtained using competitive quotations. The following guidelines apply to the solicitation of formal bids:

1. Quotations shall be solicited from pre-qualified suppliers in response to prepared Request for Quotation detailing the University requirements and specifications

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together with other general conditions applicable to the submission of bids and the award decision.

2. Awards shall be made to the lowest responsible and responsive vendor responding to the Request for Quotations.
3. Written documentation supporting the award decision shall be maintained.

1.16 FORMAL COMPETITIVE BIDDING POLICY

Formal competitive bidding requires the award of a publicly advertised contract to the lowest responsible bidder submitting a responsive sealed bid unless it is in the best interest of the University to reject all bids. Unless otherwise exempted, general purchases in excess of \$25,000, and purchases of repair, renovation and construction services in excess of \$50,000, shall be obtained using a competitive bid process. The following guidelines apply to the solicitation of formal bids:

1. Sealed bids shall be solicited from qualified vendors in response to a publicly advertised "Invitation to Bid" detailing the University's requirements and specifications together with other general conditions applicable to the submission of bids and the award decision.
2. Unless otherwise specified in the solicitation documents, bids shall remain irrevocable for a period of 90 days after being opened.
3. Evaluation of bids shall be conducted by an Evaluation Committee.
4. Unless canceled or rejected, a responsive bid from the lowest responsible bidder shall be accepted as submitted, except that if the bid from the lowest responsible bidder exceeds available funds, the University may negotiate with the apparent low bidder to obtain a contract price.
5. A contract shall be awarded to the lowest evaluated responsive bid from a responsible bidder based on the specifications set forth in the solicitation.
6. Written documentation supporting the award decision shall be maintained.

1.17 COMPETITIVE NEGOTIATION

Unless otherwise exempted, competitive negotiation is to be used in the acquisition of professional services for purchases costing more than \$25,000. The following guidelines apply to the acquisition of professional services using competitive negotiations.

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1. A Request for Proposals (RFP) is to be used to describe the scope of work, and to specify the criteria, that include, but are not limited to, price, which will be used to evaluate proposals.
2. Proposals shall be sought from reputable firms by direct request or by giving public notice of the Request for Proposal.
3. At least two proposals should be sought as the basis for making a selection.
4. Unless otherwise specified in the solicitation documents, proposals shall remain irrevocable for a period of 90 days after being opened.
5. Evaluation of proposals shall be conducted by an Evaluation committee.
6. Technical and price proposals shall be evaluated independently of each other. Price shall not be taken into account until such time as the technical evaluation is completed.
7. Discussions and negotiations may be conducted with the two or more proposers whose professional qualifications and proposed services seem most in keeping with the requirements of the University.
8. When determined by the Evaluation Committee that it is in the best interest of the University, proposers may be permitted to revise their proposals by submitting a best and final offer or series of best and final offers.
9. A final selection of the Evaluation Committee will be made based on the Best and Final Offers.
10. Written documentation supporting the award decision shall be maintained.

1.18 SPECIAL GUIDELINES RELATING TO SOLICITATIONS

A. Vendor License Requirements

Vendors must have a current license to do business in the Virgin Islands in the proper classification and specialty to perform the work required by the solicitation. It is the vendor's responsibility to comply with the rules and regulations issued by applicable regulatory agencies.

B. Bonding

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A bid bond, performance bond, or a payment bond may be required in a solicitation. When the University requires a bid bond, it shall not exceed five percent of the amount bid. A bid bond, when specified, must accompany the bid. Performance bonds and payment bonds, if requested, must be in an amount at least equal to 100% of the accepted bid or proposal and should be filed prior to issuance of the purchase order or notice to proceed unless a written determination is made that it is in the best interest of the University to grant an extension.

If a performance bond requirement is not stated in the solicitation and the University later determines that a bond should be provided prior to the award of a contract, the contractor to whom the award will be made shall provide a performance bond, and the University is authorized to pay the cost of the bond under these limited circumstances.

C. Insurance

Whenever work is to be performed on University-owned or leased facilities, the contractor is required to have insurance required by law and liability insurance prescribed by the University based on the type of work to be performed. The University may require that the contractor provide the certificate of insurance prior to the provision of any goods and services or the commencement of any work naming the University as an additional insured.

D. Drug-Free Workplace

Any contracted firm, its agents and employees are prohibited from manufacturing, distributing, dispensing, possessing, or using any unlawful or unauthorized drugs or alcohol while on University property.

E. Preferred Bidders

In determining the award of any contract to provide goods and/or services to the University using an appropriation from the Government of the Virgin Islands as a source of funding, the University may procure the goods and services from the lowest responsive and responsible preferred bidder doing business in the territory in accordance with applicable provisions of the Virgin Islands Code conferring preferred bidders' status on certain local vendors.

F. Minority-Owned Businesses

The University is committed to developing mutually beneficial relationships with small, minority-owned, women-owned, disadvantaged, veteran-owned, and local business enterprises. In the solicitation and awarding of purchase orders and contracts, the University will take steps to ensure that appropriate business opportunities are made available to such firms.

G. Cooperative Procurement with the Local Government

The University may participate in, sponsor, conduct, or administer a cooperative procurement agreement with one or more other public bodies or agencies of the Government of the Virgin Islands for the purpose of combining requirements to increase the efficiency or reduce administrative expenses in the acquisition of goods and services, other than professional services.

1.19 UNIVERSITY LOGO AND LICENSED VENDORS

The University's trademark is registered in the United States Patent and Trademark Office. The Certificate of Registration controls the use of the name, mascot, logos and other identifying marks of the University. This policy ensures that goods bearing University insignia, and certain other goods purchased by the University itself, are not produced under sweatshop conditions.

The University's Licensing Program is represented by the Collegiate Licensing Company ("CLC"), and only vendors who are licensed through CLC are authorized to produce logos with University of the Virgin Islands trademarks. Under this policy, the purchase of any emblematic textiles, apparel or sports equipment must be from companies licensed by the Collegiate Licensing Company. No vendor may copyright or trademark any work produced for the University without prior written consent.

1.20 TERM OR ANNUAL CONTRACTS

The Purchasing Department shall secure term contracts whenever possible. The essential feature of a term contract is the establishment of a source, or sources of supply, for a specified commodity or group of related commodities or services for a stipulated price and period of time. Contracts offer the economy of large-scale purchasing, although requirements are spread over an extended period of time.

1.21 CONTRACT ADMINISTRATION AND VENDOR PERFORMANCE

It is the policy of the University that all contracts comply with local and federal laws and applicable policies of the University. All contracts entered into, including original contracts, amendments, and extensions, may only be signed by the designated signature authority. Contracts shall be subject to appropriate internal administrative and legal review, and be executed by all parties prior to commencement of the delivery of any goods or services as set forth in the agreement. Contracts shall be legally binding on the University only upon the execution of the contract by the University official(s) with delegated contractual signature authority. The Vice President for Administration and Finance is vested with the responsibility of establishing proper procedures for contract administration.

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A. Contract Signing Authority

1. Generally, only the President and the Vice President for Finance and Administration, or other University administrators designated by the President, shall have the authority to sign a contract on behalf of the University.
2. Component Heads have the authority to sign Professional Service Agreements and routine service type contracts up to levels specified by the President in writing.
3. The Chief Procurement Officer, or anyone delegated to act in place of the Chief Procurement Officer, has the authority to sign purchase orders on behalf of the University and routine service type contracts.
4. No other individual has authority to enter into a contract for the purchase of goods or services or otherwise obligate the University to pay any sum or money, without one of the following:
 - a. A written declaration of signature authority from the President or the Vice President for Finance and Administration filed with the contract;
 - b. A purchase order ("PO") issued by or under the direction of the Chief Procurement Officer;
 - c. A governing Contract document or standard Professional Service Agreement approved by the appropriate authority in keeping with the provisions of these policies.
 - d. Failure to ensure that the appropriate signature authority is obtained may result in personal liability for the employee(s) involved in the transaction.

B. Contracts Requiring Approval of the Board of Trustees

The following contracts must be approved by the Board of Trustees.

1. Contracts for the purchase, gift or acquisition of real property;
2. Contracts for the sale of real property or conveyance of any rights in real property;
3. Real estate leases, lease renewals and extensions, whether as lessor or lessee, if the obligation of the lease is equal to or greater than \$1,000,000 per year;
4. Banking and investment agreements;

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5. Any single procurement contract for any equipment, goods and services, not specified above, that is expected to exceed \$1,000,000 in a fiscal year;
6. Any extension, modification, or renewal of an existing contract that is expected to exceed \$1,000,000 in a fiscal year; and
7. Any other contract the Board might designate as having significant importance to require Board approval.

C. Delivery and Performance

The time of delivery or performance shall be clearly stated in each contract. Delivery or performance must be met by the date or period specified or the contractor may be considered to be in default.

D. Payment

The contract documents are to include the process by which payments are to be made.

E. Closeout of Contracts

The University shall adopt internal guidelines and procedures to ensure contract closeout is conducted properly.

1.22 DEBARRED SUPPLIER POLICY

A supplier may be debarred from doing business with the University as the result of conviction for criminal offenses, such as embezzlement, theft, forgery, bribery and other offenses, indicating a lack of business integrity. Depending on the specific cause, the length of the debarment can be anywhere from three years to indefinitely. Vendors debarred or suspended under federal regulations are not in good standing and are debarred from doing business with the University.

1.23 DOCUMENTATION OF FILES AND PUBLIC ACCESS TO PROCUREMENT RECORDS

A complete file must be maintained in one place for each purchase transaction, containing all the information necessary to understand the procurement process and the basis for the procurement decisions made.

Except as provided in this section, all proceedings, records, contracts and other public records relating to procurement transactions shall be open to the inspection of any citizen, or any

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interested person, firm or corporation, in accordance with the University's Policy on Public Access to Documents and Information, as provided below.

A. Bid and Proposal Inspection

The University must give bidders an opportunity to inspect bid records within a reasonable time after opening and evaluation of bids, but prior to award, except in the event the University decides to reject all bids and rebid.

The University must provide the opportunity for the inspection of proposal records within a reasonable time after the evaluation and negotiations of proposals are completed but prior to award, except in the event that the University decides not to accept any of the proposals and to re-solicit.

B. Access to Procurement Records

1. Except as provided in this section, all proceedings, records, contracts and other public records relating to procurement transactions shall be open to the inspection of any citizen, or any interested person, firm or corporation.
2. Cost estimates relating to a proposed procurement transaction prepared by or for the University shall not be open to public inspection.
3. Any bidder submitting a competitively sealed bid shall, upon request, be afforded the opportunity to inspect bid records within a reasonable time after the opening of all bids but prior to award, except in the event that the University decides not to accept any of the bids and to reopen the contract. Otherwise, bid records shall be open to public inspection only after award of the contract.
4. Any competitive negotiation offeror, upon request, shall be afforded the opportunity to inspect proposal records within a reasonable time after the evaluation and negotiations of proposals are completed but prior to award, except in the event that the University decides not to accept any of the proposals and to reopen the contract. Otherwise, proposal records shall be open to public inspection only after award of the contract.
5. Any inspection of procurement transaction records under this section shall be subject to reasonable restrictions to ensure the security and integrity of the records.
6. Trade secrets or proprietary information submitted by a bidder, offeror, or contractor in connection with a procurement transaction or prequalification application submitted pursuant to public review and inspection shall not be subject

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to public review and inspection, in those where the bidder, offeror or contractor satisfies the following three requirements:

- a. Invokes the protections of this section prior to or upon submission of the data or other materials,
- b. Identifies the data or other materials to be protected, and
- c. Provides written justification as to why protection is necessary.

2.0 CORPORATE CREDIT CARD AND PROCUREMENT CREDIT CARD PROGRAMS

2.1 PURPOSE

This policy provides guidance for the establishment, use and management of a University Corporate Credit Card and a Procurement Credit Card Program.

2.2 POLICY STATEMENT

It is the policy of the University to permit use of corporate credit cards as well as procurement credit cards by University officials designated by the President for the purpose of charging legitimate University business expenses. The University Corporate Credit Card and Procurement Credit Card programs have been established to facilitate the payment of travel expenses by authorized users of Corporate Credit Cards, and allow rapid purchase of low dollar goods while simultaneously reducing paperwork and handling costs associated with the small purchase process. These cards also provide a convenient method of payment for employees who frequently travel on University business.

2.3 SCOPE AND APPLICABILITY

This policy applies to all credit card holders, administrators who approve credit cards, and accounting personnel who manage credit cards at the University.

2.4 RESPONSIBILITY

A. Vice President for Administration and Finance.

The Vice President for Administration and Finance has been designated as the Credit Card Program Administrator with responsibility for establishing and reviewing credit card arrangements, administering the University's Corporate Credit Card and Procurement Credit Card Programs and for developing guidelines and procedures for implementing these programs.

2.5 ESTABLISHMENT AND REVIEW OF CREDIT CARD ARRANGEMENTS

A. Guidelines

The following guidelines shall apply to the establishment of credit card arrangements:

1. The University may establish corporate credit card and/or procurement credit card arrangements with one or more major credit card providers;
2. The corporate credit card and procurement credit arrangements must be subject to the approval of the President and the Vice President for Administration and Finance and to periodic review.

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3. The credit cards will be the property of the University.
4. The credit cards may be used to allow the rapid purchase of low dollar goods and services necessary for the conduct of official University business in order to reduce paperwork and handling costs associated with the small purchase process.
5. The credit cards may also be used as a convenient method for the payment of official travel-related expenses for employees whose job responsibilities require frequent travel for university business.
6. The University will accept responsibility for the payment of legitimate charges made to the cards.
7. The corporate credit card and procurement credit arrangements entered into should:
 - a. Allow individual per transaction credit limits to be applied;
 - b. Allow individual monthly credit limits to be applied;
 - c. Allow separate limits for goods and services versus travel-related expenses;
 - d. Allow industry/merchant category codes to be blocked, as necessary;
 - e. Provide for security against unauthorized use;
 - f. Not involve the University in any liability for unauthorized use of individual cards;
 - g. Be in the name of the University and the credit card holder; and
 - h. Be enabled with security protection.

2.6 APPROVAL TO HOLD A CORPORATE OR PROCUREMENT CREDIT CARD

A. Guidelines

The following guidelines shall apply to the approval of credit card holders:

1. The use of the University's corporate credit card shall be limited to senior officers of the University and to other management and administrative employees who, in the judgment of the President and Vice President for Administration and Finance, meet the following criteria:
 - a. Is the head of a major organizational unit of the University and has been authorized by the President, Provost, and the Vice President for Administration and Finance to have a corporate credit card.
 - b. Is a regular, full time employee occupying a position that has a demonstrated need to purchase goods/services on behalf of a department; and/or occupies a position of responsibility requiring University business travel on a regular basis.
2. Procurement credit cards may be issued to regular full-time employees occupying a position of responsibility that has a demonstrated need to purchase goods or services on a regular basis for the benefit of a department of the University.
3. Credit card limits must be determined based on the anticipated expenditure required by the position held by the applicant within the Organizational Unit.
4. Both the need for a card holder to retain a credit card and the credit card limit applying to the card are to be reviewed annually.

2.7 CORPORATE AND PROCUREMENT CREDIT CARD HOLDER RESPONSIBILITIES

Cardholders must agree to the following conditions:

1. Accept and abide by the conditions of use.
2. Agree to be accountable for all transactions charged to the card.
3. Agree that all expenditures must be for official University business purposes in accordance with University policies.
4. Agree that the card will not be used for any purpose that is of a personal or private nature.

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5. Agree to accept personally liability for unauthorized, unapproved, or inappropriate use of the corporate credit card.
6. Agree that the card is only to be used by the person whose name appears on the card.
7. Accept responsibility to ensure the safe custody of the assigned credit card.
8. Agree to the prohibition on cash advances using the card.
9. Agree that if the card is lost or stolen, or any suspected fraudulent activity is noticed, it is the cardholder's responsibility to immediately report this to the bank issuing the credit card and the appropriate program administrator.
10. Agree to return the corporate or procurement credit card if requested to do so by the approving officer or the Credit Card Program Administrator.

2.8 CORPORATE AND PROCUREMENT CREDIT CARD USE AND ADMINISTRATION

A. Guidelines

The following guidelines shall apply to the use and administration of credit cards.

1. Appropriate records are to be maintained of persons who have been issued University credit cards together with per transaction and monthly spending authorization limits and other restrictions.
2. Guidelines on the establishment of credit card use and spending limitations are to be approved by the President.
3. Procedures are to be put in place to monitor the ongoing use of University credit cards held by cardholders, to reconcile all credit card charges against proper documentation and receipts, to verify, audit and approve credit card charges prior to payment and to otherwise put in place internal controls for the effective administration of the credit card program.

2.9 SUSPENSION OF CORPORATE OR PROCUREMENT CREDIT CARDS PRIVILEGES

A. Guidelines

The following guidelines shall apply to the withdrawal of credit cards or the suspension of credit card privileges:

1. The use of a University credit card may be suspended or cancelled by the University official recommending the issuance of a credit card or the credit card Program Administrator for any of the following reasons:
 - a. The cardholder's employment with the University ceased;
 - b. The position currently held by the cardholder no longer justifies the use of a credit card;
 - c. Minimal utilization of the credit card is identified;
 - d. Misuse of the credit card by the cardholder including unacceptable, inappropriate or fraudulent expenditures; and
 - e. Non-compliance with conditions governing the issuing of credit cards.

In all cases, credit cards that have been cancelled or suspended must be returned to the Credit Card Program Administrator.

3.0 DISPOSITION OF UNIVERSITY SURPLUS PROPERTY

3.1 PURPOSE

The purpose of the policy is to define the guidelines and standards applicable to the transfer and disposal of surplus property.

3.2 POLICY STATEMENT

It is the policy of the University that University-owned property and property that was purchased by the use of federal funds be disposed of (or transferred) in accordance with applicable government standards and regulations. These standards are designed to ensure the efficient utilization of property, maximize the property's residual value, maintain financial accountability and reporting accuracy; ensure compliance with safety/environmental laws and regulations, and minimize risk exposure to the University. No property, whether purchased with University funds or otherwise acquired, may be defined as surplus without the prior written approval of the Chief Procurement Officer or his/her designee.

3.3 SCOPE AND APPLICABILITY

This policy applies to the transfer or disposal of University-owned property/equipment and property that was purchased by the use of federal funds including, but are not limited to, computer and related equipment, furniture and related items, general and scientific equipment, and supplies. University property is defined as any item which was donated or transferred to the University or was purchased by the University with gift, grant, contract, restricted, or general funds.

Policies and procedures pertaining to disposition of surplus property apply to all University departments. Unauthorized removal, disposal, or expropriation of University or government-owned, loaned or donated property regardless of value constitutes a breach of University policy.

3.4 DEFINITIONS

Disposition of surplus property is defined as any property to be traded-in against a new purchase, cannibalized for spare parts, externally transferred, donated to a non-profit charitable/community organization, sold for salvage value, or destroyed (waste removal).

3.5 RESPONSIBILITIES

A. University Departments

University departments shall be responsible for taking all actions necessary to prepare surplus property for final disposal (i.e.: delete all data from computers, label monitors as “Electronic Waste”, etc.), and for updating inventory records to reflect property being transferred, or otherwise disposed of, when property is to be declared surplus in accordance with policies of the University,.

B. Purchasing Department

The Purchasing Department shall oversee the process for the disposal of surplus property ensuring full compliance with the policies of the University and ensure that appropriate records of all surplus property are maintained for audit purposes.

C. Office of Sponsored Programs

The Office of Sponsored Programs shall monitor the disposal of property purchased with grant or federal funds, secure needed guidance and recommendations from external granting agencies as required, and ensure that the University remains in full compliance with all applicable federal regulations.

D. Vice President for Administration and Finance

The Vice President for Administration and Finance shall be responsible for developing appropriate guidelines and procedures for the implementation of this policy.

3.6 POLICY GUIDELINES FOR THE DISPOSITION OF SURPLUS PROPERTY

A. Surplus Property Declaration

When the head of a user department determines that an item has served its original purpose and no longer provides value to the original department, a declaration to this effect is to be made to the Purchasing Department. The final determination of the item’s eligibility for the Surplus disbursement/disposal program shall be made by the Purchasing Department.

B. Surplus Disbursement/Disposal Program

The University shall develop procedures for the advertisement and redistribution of usable items declared to be surplus to the needs of a department before it is declared to be surplus to the needs of the University.

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C. Disposal Methods

Property declared to be surplus to the needs of the University may be cannibalized when deemed to be in the best interest of the University, disposed of by trade-in when applicable, recycled, or disposed of as scrap, or sold by public auction in accordance with applicable guidelines. Employees involved in the process of declaring property to be surplus to the needs of a department or the institution are prohibited from participating in such auctions or using a straw man to participate in such auctions.

Surplus property including computer and other electronic equipment that have no further value to the University, from which all data have been deleted and are deemed to adhere to software restrictions can be disposed of by one of the following methods:

1. By transfer to a government department or agency or a public school with the approval of the President.
2. By donation to a public school, local private school or not-for-profit organization that has provided a written request for computer equipment to the President. The local private school or requesting not-for-profit agency will be responsible for removing donated computer equipment from surplus storage.
3. By an appropriate method of recycling or disposal that will not expose the University to environmental risk or violate applicable federal or local regulations.

D. Prohibition on Gifting of Surplus Property or Sales to Employees

Departments are strictly prohibited from gifting or selling surplus materials directly to University faculty, staff, students, and other University-affiliated individuals. This provision is mandated in order to adhere to standards applicable to the use of public funds, to minimize the University's risk exposure to product liability, and potential violations of special pricing structures if deemed a reseller.

E. Sale of Surplus Property

Sales of surplus property are to be undertaken by public auction or sealed bid. Employees involved in the process of declaring property to be surplus to the needs of a department or the institution are prohibited from participating in such auctions or bids.

Proceeds from the sale of University owned property are to be credited to the general fund. When applicable, proceeds from scrap sales of federally-funded property shall be credited to the Federal Government or funding agency. Proceeds from the sales of surplus property from active federal grants should be deposited to the active grant account.

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F. Disposition of Items Declared to be Scrap

Items determined to be scrap/salvage shall have all identification markings removed or obliterated and recycled through a salvage business, if economically feasible, or disposed through the trash removal system. Property and products containing hazardous chemical compounds shall be disposed of in accordance with applicable standards and guidelines for disposing of hazardous waste.

G. Compliance with Environmental Health and Safety Standards

The University shall comply with all environmental health and safety standards applicable to the disposal of University property, including surplus property known to contain hazardous waste materials.

SECTION III: TRAVEL, MOVING AND RELOCATION EXPENSES

1.0 TRAVEL AND BUSINESS RELATED EXPENSE POLICY

1.1 PURPOSE

This policy provides the guidelines to be followed by travelers, approvers, and accounting personnel to ensure the prudent use of University resources for the payment of business-related travel expenses.

1.2 POLICY STATEMENT

The University will pay necessary and reasonable travel expenses incurred for authorized University business travel consistent with the educational, research, and administrative needs of the University. It is the intent of the University that payment be fair, equitable, and efficient for both the traveler and the University.

All official University travel shall be prudently planned, properly authorized, reported, and reimbursed with the objective of ensuring that the best interests of the University are served at the most reasonable cost. Anyone traveling on University business is expected to exercise good judgment and economy in the use of University funds. Excessive or unjustifiable costs are not acceptable and will not be reimbursed. It is expected that employees will conduct University business with integrity, in compliance with applicable laws, policies, and procedures, and in a manner that excludes considerations of personal advantage.

1.3 SCOPE AND APPLICABILITY

This policy applies to all employees traveling at the University's expense in the performance of their official duties. It covers travel-related expenditures using all University funds including unrestricted, restricted and designated funds. Provisions of this policy may also apply to individuals other than employees such as visiting scholars, University guests, students and non-University personnel who are authorized to travel at University expense. In certain cases, contracts and/or grants may have more restrictive policies for travel and business related expenditures. In these cases, the more restrictive policies will prevail. Exceptions to any of the provisions set forth in this policy require the approval, in writing, of the President or Vice President for Administration and Finance. If the expenditure is to be charged to a grant or contract, then the exception also requires the approval of the Principal Investigator.

1.4 RESPONSIBILITIES

A. President and Administrative Officers

The President and administrators of the University have the responsibility for administering the travel policies of the University, to approve the business purpose of official travel, to certify that the travel is necessary and serves the best interests of the University, to ensure that the travel-related costs are reasonable and to review and monitor all travel expenses and claims for reimbursement that they approve.

B. Vice President for Administration and Finance

The Vice President for Administration and Finance is responsible for overseeing the administration of the University's travel and business related expense policy and for issuing appropriate guidelines and procedures for its implementation.

C. Department and Unit Heads

Department and unit heads are responsible for approving the travel and travel related expenses of persons reporting to them, for ensuring that funds are available for the approved travel, that travel related expenditures comply with University policy and fund source restrictions, that a Travel Voucher is filed upon the completion of authorized travel and that appropriate documentation is provided to substantiate all expenses and requests for reimbursement.

D. Office of Sponsored Programs

The Office of Sponsored Programs has the responsibility to make Principal Investigators aware of applicable federal regulations governing the use of grant funds and to provide information related to allowable costs that may be charged to sponsored programs.

E. Principal Investigators

Principal Investigators (PIs) have the responsibility to review grant restrictions when sponsored program funds are involved to ensure travel costs charged to sponsored programs are allowable.

F. Travelers

Travelers have the responsibility to perform their travel duties in conformity with the provisions of this policy, to ensure that prior approval is obtained for the business purpose as well as business related expenses associated with the planned travel, and to present appropriate

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documentation that is valid and complete to support their travel reimbursement claims.

G. Accounting Department

The Accounting Department has the responsibility to ensure that official travel is properly approved by persons authorized to do so, to ensure that documentation submitted in support of travel related expenses and claims for reimbursement are valid and complete, and that such expenses are made in full compliance with the applicable provisions of this policy. The Accounting Department is also responsible for providing guidance to University officials and travelers so that the objectives and intent of this policy will be achieved.

1.5 POLICY GUIDELINES

A. Official Travel and Travel Status

Official Travel is limited to travel which is necessary for the proper execution of official University business, or is undertaken in justifiable pursuit of the University's educational and research objectives. It is defined to mean travel on official business from one's home or normal place of employment to an approved destination, and return from the specified destination either to one's normal place of employment or to one's home. Commuting between one's home and regular place of employment is not official travel. The employee is considered on official travel status at the time of departure from and until the time of return to the employee's official work station or residence, whichever is applicable, for the purpose of traveling on University business.

B. Categories of Business Travel

1. Inter-Island (Local) Travel includes business travel within and between the United States Virgin Islands.
2. Off-Island (Domestic) travel includes travel within and among any of the fifty states of the United States, the District of Columbia, the commonwealth of Puerto Rico, the commonwealth of the Northern Mariana Islands, Guam, and American Samoa. In the case of sponsored projects, domestic travel may be defined in the award documents.
3. International travel is defined as any travel outside of the fifty United States and its insular areas.

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C. Travel Restrictions for Federally Funded Programs

International travel supported by sponsored program contracts and grants may require prior written agency and/or internal approval. Travelers should refer to applicable grant or contract regulations to determine whether prior agency approval is required and if other restrictions apply. Individuals whose travel is supported by federal funds should follow the guidance provided in the Fly America Act, relative to the use of American flag carrier airlines. Foreign flag carrier airlines may only be used when no U.S. flag carrier airline is available.

D. Combined Business and Personal Travel

University funds may not be used for any non-University travel, including personal travel. The University discourages combining business and personal travel, but in those cases where a business trip is combined with a personal trip, the traveler is only entitled to receive reimbursement for the actual documented expense attributable to the business-related portion of the trip.

E. Spouse, Domestic Partner, or Other Dependent Expense

Since the IRS does not consider expenditures of this type a qualified business expense, no travel expenses, transportation, lodging, meals, or registration fees, etc., for spouses or other persons accompanying employees on University travel will be paid or reimbursed.

F. Group Travel

The University discourages travel by groups of senior administrators or groups of employees from the same department or office on the same plane or on extended automobile trips as accidents may result in injuries to members of the group and may seriously impair essential operations of the University. This restriction should be evaluated by the heads of the departments, deans and other approving officials based on the circumstances of the travel and the level of responsibility of the travelers.

G. Student Travel

Students traveling as groups or teams under the auspices of the University are to be sponsored by a faculty or staff person(s) who will serve as Travel Coordinator or Chaperone and be responsible for managing the travel expenses of the group, submitting requests for reimbursement accompanied by receipts for all expenses incurred and otherwise complying with the policies stated in this manual. The travel coordinator or Chaperone must be a full-time or part-time employee serving as the advisor, coach or instructor for the traveling group or activity.

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H. Employment Interviewees, Official Visitors and Guests

The policies governing reimbursement of travel expenses for persons other than University employees, such as guest speakers, official visitors and prospective employees, are the same as those applicable to University employees.

I. Travel Authorization and Approval

The business purpose for travel at the University's expense must be approved and authorized in advance in writing by a department head, supervisor or an appropriate administrator. This includes approval of a reasonable estimate of all business related travel expenses to be paid from University funds. Travel which is not authorized in advance shall be considered unofficial travel at the expense of the traveler.

J. Travel Expenses of the President

Notwithstanding any other travel policy provisions that apply to other employees of the University, the official travel and travel-related expenses of the President that are incurred at his/her discretion and are substantiated by proper documentation are fully reimbursable. Travel-related expenses for the President's spouse will be reimbursed in accordance with the terms of the President's employment contract.

1.6 TRAVEL PAYMENT METHODS

The following forms of payment may be used for the payment of travel expenses:

1. Personal credit cards or cash may be used for the payment of transportation, lodging, meals and incidental expenses while traveling on authorized business on behalf of the University and used as the basis for making reimbursement claims to the University.
2. The use of University Corporate Credit Cards and Procurement Cards (P-Cards), where properly authorized. Allowable business travel expenses paid for by corporate credit cards or P-card must be supported by the submission of credit card statements, credit card slips, and copies of receipts.
3. Prepayment of certain categories of Travel Expenses to obtain discounted pricing, secure a reservation or pre-pay conference registration fees.
4. Travel Advances up to 75% of subsistence expenses and allowable incidental charges may be made with the proper approvals subject to being accounted for upon the conclusion of an approved trip.

1.7 TRAVEL REIMBURSEMENT GUIDELINES

In general, travelers will be reimbursed for travel expenses that are ordinary, necessary, reasonable, and actual. All travelers are required to file a Travel Voucher no later than 60 days after a trip is completed, to provide sufficient documentary evidence to support the business purpose of their trip and to substantiate all expenses and claims for reimbursement. Documentation should be in the form of original bills or itemized receipts that provide a description of goods or services received. The report must be signed by the employee and approved by the supervisor or department head prior to submission for processing.

A. Commercial Air Travel

1. It is the policy of the University that the lowest coach or economy fare on scheduled commercial flights is to be used whenever possible, unless otherwise specified in this policy. The use of business or first-class or other higher cost services may be authorized only under the circumstances listed in this policy. All exceptions must receive prior approval of the President or his designee.
2. Business or First Class Fares: Business and/or first class fares are approved for the travel of the President.
3. Business Class Upgrade for International Flights: Business class upgrades are approved for employees of the University traveling on international flights of five (5) hours or longer.
4. In addition to the cost of the plane ticket, additional reimbursements shall be made for reasonable and prudent incidental fees, including baggage handling fees and modest tips for services, premium fly date surcharges which allow flexibility in scheduling flights, and ticket change fees when incurred for the benefit of the University and not for the personal convenience of the employee.
5. The University's travel accident policy shall provide coverage for accidental loss of life and accidental dismemberment for employees traveling on official University business. The purchase of additional coverage at the University's expense is not allowable.

B. Non-Commercial Aircraft (Fixed Wing and Rotary including Helicopters)

1. Non-commercial Aircraft: University employees are prohibited from utilizing non-commercial aircraft or helicopters for University business travel.

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2. Chartered flights: Group transportation by chartered aircraft may be authorized by the President in emergency situations or under circumstances where an overall pressing need presents itself.

C. Other Modes of Transportation

1. Local Ground Transportation

Costs of public transportation, airport shuttles, taxis, and subway/metro are allowable for travel to and from airports and railroad stations, between appointments, and between hotels and meeting locations. Travelers should select the most cost effective mode of transportation. The use of limos or car service must be approved in advance of travel subject to the submission of compelling justification. Original receipts for any local transportation expenses must accompany the Travel Voucher.

2. Automobile Rental

Rental of an automobile is permitted when necessary for an employee traveling on behalf of the University when such use is considered the most reasonable and economical mode of travel under the circumstances. Such rental of an automobile will be allowed and reimbursed on the following basis:

- a. Unless three or more employees are traveling together, the University will only reimburse the cost of a midsize or smaller car.
- b. The cost of upgrades, other accessories or the purchase of supplemental car insurance premiums, is not reimbursable.
- c. The University will not reimburse the cost of damages to a rental car or the cost of personal items stolen from a rental car.
- d. The cost of reasonable parking fees, bridge and turnpike tolls and gasoline charges will be reimbursed with submission of original cash or credit card receipt and the rental agreement.

3. Personal Automobile Travel

Travelers may use their private vehicle for business purposes if it is less expensive than renting a car, taking a taxi, or where it is otherwise deemed to be in the best interest of the University. The use of a personal automobile will be allowed and reimbursed on the following basis:

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- a. Use of the traveler's personal automobile will be reimbursed at the current Internal Revenue Service mileage rate. This mileage rate covers depreciation, maintenance, towing charges, tires, repairs, gasoline, oil, insurance and vehicle registration fees. Under IRS regulations, travelers who claim this rate are not required to substantiate the actual costs of operating the vehicle.
- b. Reimbursement for two or more persons traveling in the same automobile shall be limited to the mileage reimbursement paid to the driver.
- c. Parking costs will be reimbursed if properly substantiated by receipts.
- d. Bridge and turnpike tolls will be reimbursed if properly substantiated by receipts.

D. Hotel Arrangements

The University will reimburse lodging expenses at reasonable single occupancy or standard business room rates. If conference rates apply, the most reasonable available rates will be reimbursed. The cost of lodging and related expenses will be allowed and reimbursed on the following basis:

1. Only single room rates are authorized for payment or reimbursement unless the second party is representing the University in an authorized capacity. If the lodging receipt shows more than a single occupancy, the single room rate must be noted. Conference, government or educational rates should be requested when traveling on business.
2. The cost of a standard room for overnight lodging expenses for inter-island travel is allowable when an overnight stay is approved to serve a clear University business purpose and when the traveler utilizes local hotels with which the University has special pricing arrangements.
3. Travelers may be reimbursed for the cost of one personal long-distance phone call per day for a reasonable length of time unless more restrictive policies have been established by a contract or grant. Reasonable expenses incurred for business-related long-distance calls and internet connection fees necessary while traveling (e.g., calls to the University, fax transmittals, hotel/airport-based internet fees, etc.) are normally reimbursable.

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E. Per Diem Allowance for Meals and Incidental Expenses (M&IE)

1. Travelers will be granted a per diem allowance of \$51 for meals and incidental expenses to cover expenses for meals, taxes, gratuity and tips. Submission of receipts will not be required for the payment of the per diem allowance.
2. When some or all meals are provided to the traveler by as part of a conference or seminar paid for by the University, a prorated per diem allowance for meals and incidental expenses will be paid for meals not included.
3. The proration of per diem for breakfast, lunch, dinner and incidental expenses will be made based on the breakdown provided in the following table:

Total Per Diem for Meals and Incidental Expenses	\$51
Continental Breakfast/Breakfast	\$8
Lunch	\$12
Dinner	\$26
Incidentals	\$5
First & Last Day of Travel (based on 75% of Per Diem Allowance)	\$38.25

F. Other Incidental Expenses

Other incidental travel related expenses may be reimbursable when deemed to be legitimate travel costs, and where applicable, in accordance with federal regulations. These include the following:

1. Entertainment expenses (the cost of meals and beverages) incurred for the benefit of non-employees in connection with the active conduct of University business and otherwise consistent with the University's Entertainment Policy.
2. Cost of visas, vaccinations and document fees: Employees who are required to obtain a visa for approved international business travel will be reimbursed for these expenses with the submission of proper receipts.
3. Professional organization fees in the name of the University (but not in the name of an individual) are reimbursable. Professional fees in the name of an individual may be reimbursable if corporate membership is unavailable and there is a direct business relationship that is beneficial to the University and is approved by the Administrative Unit Head.

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4. Miscellaneous expenses of less than \$200.00 per trip for books, supplies, and other miscellaneous items which would be the property of the University are reimbursable.

G. Non-reimbursable travel-related expenses

Without intending to be fully inclusive, the following expenses are not allowable:

1. Entertainment expenses incurred primarily for the benefit of University employees are considered personal expense and are not reimbursable.
2. Expenses of a personal entertainment nature including but not limited to movies, recreational fees, health club or exercise room fees, airline clubs, hotel clubs, country clubs, massages and toiletries will not be reimbursed/paid.
3. Tobacco or alcoholic beverages in any form
4. Cost incurred for failure to cancel hotel reservations unless authorization or approval has been received beforehand.
5. Fines for parking or traffic violations and/or any other fines assessed during the course of said travel.
6. Laundry and dry cleaning, except as it applies to uniforms of University athletic teams.
7. Repair or insurance of personal automobiles.
8. Theft, loss or damage of personal luggage and effects.
9. Membership dues in private or social clubs and organizations.
10. Contributions.
11. Personal expenses, e.g., phone calls except as otherwise permitted, barber, and laundry.
12. Passenger flight insurance.
13. Supplemental insurance on rental cars.
14. Room service meals that exceed meal allowances.

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15. Gifts or Flowers, including flowers, fruit baskets or other items of condolences or congratulations.

H. Accountability Requirements

All persons traveling on behalf of the University and those who approve expense reimbursement are accountable for their actions relative to the approval of travel, travel expenses incurred, and claims for reimbursements made, approved and received. Travelers and approvers of travel are deemed to be knowledgeable of the University travel policies and procedures and the compliance requirements applicable to sponsoring agency regulations governing travel expenditures. All travel expenses are subject to audit by the University's Internal Auditor and external auditors, as well as by agencies such as the Internal Revenue Service, the Office of Inspector General, auditors assigned by granting agencies including both government and non-government sponsors. The purpose of these audits is to ascertain that the expenses are proper and fully documented. Accordingly, the University is obliged to properly account for travel expenses and for travel reimbursements made by the University to faculty, staff members and students. Additionally, the University may receive requests from sponsoring agencies or other groups who have reimbursed University faculty or staff members to verify that expenses submitted directly to them were not also reimbursed by the University. The University may also request from sponsoring agencies or other groups, verification that expenses submitted to the University were not also reimbursed by external parties.

2.0 MOVING AND RELOCATION EXPENSES

2.1 PURPOSE

This policy establishes the guidelines under which a new, eligible employee may be provided with a relocation allowance.

2.2 POLICY STATEMENT

It is the policy of the University to provide a reasonable relocation allowance inclusive of airfare, to eligible employees, based on their employment contract, to help defray the costs associated with relocation from outside the Virgin Islands to take up employment with the University. This allowance is made in lieu of any and all claims for reimbursement of relocation and moving expenses.

2.3 SCOPE AND APPLICABILITY

This policy applies to newly recruited members of the faculty, professional staff and senior administrative officials recruited from off-island and who are approved by the President, the Provost, a Dean, or an appropriate Vice President or Component Head to receive the benefit of a relocation allowance for moving and relocation expenses.

2.4 APPROVAL OF RELOCATION ALLOWANCE

1. The approval of a reasonable moving and relocation allowance shall be made in accordance with the University's uniform policy for such payment as they apply to all eligible positions and all schools, colleges, and administrative divisions.
2. The relocation and moving allowance for Faculty must be approved by the Provost or appropriate Dean or designee.
3. The relocation and moving allowance for Non-Faculty must be approved by the appropriate Vice President, Component Head or designee.
4. The relocation allowance will not require receipts. However, it is considered taxable income subject to income taxes. The employee receiving a relocation allowance will assume the burden of declaring moving expenses as deductions on his/her income tax return.
5. The offer letter to a new appointee should specify the amount of the moving and relocation allowance that will be paid by the University.

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6. Funds for the payment of relocation allowances shall be subject to the availability of funds and made only in accordance with the policies governing the use of University funds including the applicable terms and conditions of contracts and grants funds.

2.5 PAYMENTS AND TAX OBLIGATIONS

In accordance with IRS regulations, the payment of a relocation allowance to the employee is taxable income. The University will comply with all applicable income tax reporting requirements for payment of relocation allowances for moving and relocation expenses.

SECTION IV: HOSTING, HOSPITALITY AND ENTERTAINMENT

1.1 PURPOSE

This document outlines the policies and guidelines governing the expenditure of University funds for hosting, hospitality and entertainment.

1.2 POLICY STATEMENT

It is understood that the conduct of University business might sometimes require some expenditures of a hosting, hospitality or entertainment nature in the furtherance of the mission and goals of the institution. In all cases, however, there must be a clear, documented business purpose for such expenditures that indicates the event's benefit to the University. As with other University expenditures, the approving authority must exercise prudent business judgment in reviewing proposed hosting, hospitality and entertainment expenditures for their reasonableness, allowability, and the availability of funds. In addition, such expenditures should be in full compliance with all applicable policies and guidelines for the use of University funds, including grant funds, and must be seen to be in accordance with the best use of public funds.

1.3 SCOPE AND APPLICABILITY

This policy applies to the use of University funds for business meetings, entertainment functions, hosting events and other occasions when meals and/or light refreshments are served. This policy applies to all funds administered by the University, including operating funds, grants, research grants, contracts and other restricted funds.

1.4 RESPONSIBILITY AND AUTHORITY

A. President and Senior Officers

The primary responsibility for approving hosting, hospitality and entertainment activities and determining the extent to which University resources are applied for these purposes resides with the President and senior officers of the University. This responsibility includes approving the business purpose of these activities, certifying that the entertainment serves the best interests of the University, ensuring that hosting and entertainment costs are reasonable, and reviewing and monitoring all entertainment expenses and claims for reimbursement that they approve.

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B. Vice President for Administration and Finance

The Vice President for Administration and Finance is responsible for issuing appropriate guidelines and procedures for carrying out this policy and for overseeing its implementation.

C. Department Heads and Approving Officers

The department heads are responsible for seeking the appropriate approval for the hosting of hospitality and entertainment events that fall within the purview of their departments, for ensuring that funds are available for such purposes, that the related expenditures comply with University policy and fund source restrictions, and that appropriate documentation is provided to substantiate such expenditures.

D. Office of Sponsored Programs

The Office of Sponsored Programs has the responsibility to make Principal Investigators aware of applicable federal regulations governing the use of grant funds, and to provide information related to allowable costs that may be charged to sponsored programs.

E. Principal Investigators

Principal Investigators (PIs) have the responsibility to review grant restrictions applicable to hosting, hospitality and entertainment expenditures prior to committing grants funds for this purpose.

F. Entertainment Hosts

Employees hosting an entertainment event have the responsibility to ensure that prior approval is obtained for the business purpose, to carry out entertainment activities in conformity with the provisions of this policy, and to present appropriate documentation that is valid and complete to support their reimbursement claims.

G. Accounting Department

The Accounting Department reviews and validates the approval of requests for reimbursement for hosting, hospitality and entertainment expenditures submitted for payment to ensure that they are made in accordance with the guidelines set forth in this policy. These offices have the responsibility to review supporting documentation to verify that the amounts claimed are allowable, that payment documents have been properly approved prior to payment and retained in accordance with requirements of the University. In addition, the Accounting Department and Grants Accounting Office are also responsible for providing guidance to

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University officials and other employees so that the objectives and intent of this policy will be achieved.

1.5 APPROVAL OF HOSTING, HOSPITALITY AND ENTERTAINMENT

The University permits expenditures for meals and light refreshments provided to academic or staff employees, students, donors, guests, visitors, volunteers, and other individuals for the purpose of conducting substantial and bona fide University business. The following guidelines apply to the approval of hosting, hospitality and entertainment expenses:

1. The University is authorized to pay for or reimburse all business related hosting, hospitality and entertainment expenses incurred by the President in his capacity as Chief Executive Officer of the University in furtherance of the goals and objectives of the institution.
2. All hospitality events and expenses, whether funded from a departmental accounts or other account, must be preapproved by an authorized official at the level of a Dean or Provost in academic areas or a Vice President (or designee) in non-academic areas.
3. Entertainment expenditures are to be approved by an approving officer at the next higher level of authority. I.e., the approving authority should be the supervisor of (or at a higher classification than) the person claiming the expenditure. In addition, individuals with delegated approval authority shall not approve their own entertainment expenses or the entertainment expenses of a near relative (e.g., spouse, domestic partner, child, parent, etc.).
4. To ensure proper internal controls, an individual with delegated approval authority may not authorize payment of the entertainment expenses of anyone to whom he or she reports either directly or indirectly.
5. The entertainment expenses for the President (including those of a spouse, or a domestic partner) must be submitted to the Vice President for Administration and Finance for approval.
6. The President will establish similar controls for appropriate review and approval of entertainment expenses incurred by the Provost, the Vice Presidents, and other administrative officers.

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7. The following expenses are not reimbursable:
- a. The purchase of alcohol or tobacco.
 - b. Expenditures related to occasions such as employee birthdays, weddings, anniversaries, staff parties or social events, farewells to staff leaving the employment of the University, unofficial functions to recognize staff contributions, or other occasions of a social or personal nature.
 - c. The purchase of goods or services for personal use or for a non-business reason.

1.6 ALLOWABLE HOSPITALITY EVENTS AND EXPENSES

Hospitality expenses are allowable for the following categories of expenses:

A. Business Meetings

The University may pay or reimburse expenses for meals or refreshments served during business meetings when the purpose of the meeting is to conduct University business. This includes meals or refreshments served at University-sponsored seminars, retreats, workshops, orientations, or similar University events that involve primarily University personnel, when conducted for employee development and training or for promoting better employee relations.

B. Hosting Of Prospective Employees, Visitors, Guests, or Donors

The University may pay or reimburse meal expenses when entertaining prospective employees, lecturers, visitors, guests, or donors. Meal expenses for donors and University staff and volunteers involved in University telethons and fund-raising drives are considered an allowable University expense.

C. University Receptions

The University may pay or reimburse expenses related to University sponsored receptions to recognize employees, students and other stakeholders, or to honor visitors, guests or dignitaries or for groundbreaking activities and similar events.

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D. Programmatic Activities

The University may provide students or conference participants with meals or light refreshments furnished in support of the University's educational programs, such as:

1. Athletic teams, including training-table meals, game-related meals, and occasional meals provided in accordance with the rules of the National Collegiate Athletic Association (NCAA);
2. Student recruitment drives, student orientation programs, commencement exercises, and similar activities;
3. Continuing educational programs, Summer Institute for Future Global Leaders, and similar self-supporting programs; and
4. Campus volunteers and research subjects.
5. Co-hosting of events sponsored in conjunction with other entities.

1.7 TAX TREATMENT OF BUSINESS MEAL AND ENTERTAINMENT EXPENDITURES

To conform to IRS regulations governing business expenses, the University will not reimburse costs to a University employee for hosting, hospitality and entertainment when the reimbursement results in taxable income to the individual. Under IRS regulations, an employer's reimbursement of an employee business meal or entertainment expense will be considered taxable income to the employee if:

1. The activity is not directly related to the employee's job,
2. The expense is lavish or extravagant under the circumstances,
3. The official host (or other designated employee) is not present when the activity takes place, or the expense is not substantiated with supporting documentation.

1.8 REIMBURSEMENT DOCUMENTATION

A request for reimbursement, recharge, or payment of expenses for meals or light refreshments and related services associated with hosting, hospitality and entertainment events must be properly approved and supported by appropriate documents and a statement of justification.

1.9 AUTHORIZED MAXIMUM RATES FOR MEALS AND LIGHT REFRESHMENTS

The maximum per-person rates for meals and light refreshments, including gratuities if applicable, are specified in the following table:

Maximum per Person Rates Meals and Light Refreshments	Amount
Continental Breakfast/Breakfast	\$8
Lunch	\$12
Dinner	\$26
Incidentals	\$5

These rates make allowances for any and all provisions of labor, sales tax, delivery charges, and other service fees. These rates do not include any costs associated with rental of meeting or conference facilities, equipment rentals, decorations, and other items, which may be charged as an additional expense.

Payments in excess of the approved per-person maximum rates require the approval of the appropriate Dean or Component head together with a written justification which must be filed with the related documentation submitted with the request for reimbursement.

1.10 FUNDING SOURCE RESTRICTIONS

A. Government appropriations

There are strict limitations on the use of Government appropriations for certain expenses that may be incurred for hosting, hospitality and entertainment purposes. These limitations, which include expenses for alcoholic beverages or tobacco, must be observed and complied with.

B. Contract and Grant Funds

Federal or local government contract and grant funds may not be used for hosting, hospitality and entertainment expenses unless specifically authorized by the grant or contract.

C. Other Funds

Various University-controlled fund sources other than Government appropriations and contract and grant funds may be used to fund the expenses authorized under this policy, but only to the extent that costs conform to the restrictions imposed by the fund source and to the guidelines set forth in this policy. When there is a conflict between the terms of the funding source and University policy, the more restrictive of the two shall apply.

ACKNOWLEDGEMENTS AND CREDITS

This proposed financial policy document draws on financial policies and guidelines developed by various colleges and universities to the extent that research identified those policies as “best practice policy models” from which other colleges and universities in the higher education community have benefited. In a few cases, some elements of a proposed policy might mirror the financial policy guidance offered by a particular institution because that policy has been adopted by other institutions as a model policy.

The institutions from which policy guidance was been drawn include the following:

- University of Missouri
- The University of Chicago
- Pennsylvania State University
- Delaware University
- Colorado State University
- The University of Memphis
- Cornell University
- West Virginia University
- Dartmouth College
- Tufts University
- Auburn University
- Rogers and William University
- Clark Atlanta University
- Pepperdine University
- Northwestern University