# FINANCIAL POLICIES

## TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Contents</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.0 APPLICATION OF THESE FINANCIAL POLICIES</td>
<td>6</td>
</tr>
<tr>
<td>2.0 BACKGROUND AND PURPOSE</td>
<td>6</td>
</tr>
<tr>
<td>CHAPTER 1: ACCOUNTING</td>
<td>7</td>
</tr>
<tr>
<td>Policy 1-1 ACCOUNTING PRINCIPLES AND STANDARDS</td>
<td>7</td>
</tr>
<tr>
<td>Policy 1-2 INTERFACE WITH THE STATE FINANCIAL SYSTEM</td>
<td>7</td>
</tr>
<tr>
<td>Policy 1-3 DELEGATED AUTHORITY</td>
<td>7</td>
</tr>
<tr>
<td>Policy 1-4 FINANCIAL TRANSACTIONS AND INTERNAL CONTROLS</td>
<td>7</td>
</tr>
<tr>
<td>Policy 1-5 REPORTING OF FRAUD, THEFT, OR EMBEZZLEMENT</td>
<td>7</td>
</tr>
<tr>
<td>Policy 1-6 ACCOUNTABILITY AND CAPITALIZATION OF EQUIPMENT</td>
<td>8</td>
</tr>
<tr>
<td>CHAPTER 2: DISBURSEMENTS</td>
<td>9</td>
</tr>
<tr>
<td>Policy 2-1 PROPRIETY OF EXPENDITURES</td>
<td>9</td>
</tr>
<tr>
<td>Policy 2-2 COMMITMENT VOUCHERS</td>
<td>10</td>
</tr>
<tr>
<td>2.2.1 Use of Commitment Vouchers</td>
<td>10</td>
</tr>
<tr>
<td>2.2.2 Dollar Limits and Requirements</td>
<td>10</td>
</tr>
<tr>
<td>2.2.3 Purchase Orders</td>
<td>12</td>
</tr>
<tr>
<td>2.2.4 School Contracts</td>
<td>12</td>
</tr>
<tr>
<td>2.2.5 After-the-Fact Purchases</td>
<td>12</td>
</tr>
<tr>
<td>2.2.6 Advance Payments</td>
<td>13</td>
</tr>
<tr>
<td>2.2.7 Emergencies</td>
<td>13</td>
</tr>
<tr>
<td>2.2.8 Vendor Agreements</td>
<td>14</td>
</tr>
<tr>
<td>2.2.9 Purchase Order Terms and Conditions See Appendix B.</td>
<td>14</td>
</tr>
<tr>
<td>Policy 2-3 RECEIVING REPORTS</td>
<td>14</td>
</tr>
<tr>
<td>2.3.1 Purchase of Goods</td>
<td>14</td>
</tr>
<tr>
<td>2.3.2 Purchase of Services</td>
<td>14</td>
</tr>
<tr>
<td>Policy 2-4 PURCHASE DISCOUNTS</td>
<td>14</td>
</tr>
<tr>
<td>Policy 2-5 INTEREST PAYMENTS ON DELINQUENT PAYABLES</td>
<td>14</td>
</tr>
<tr>
<td>Policy 2-6 OFFICIAL FUNCTIONS AND TRAINING FUNCTIONS</td>
<td>15</td>
</tr>
<tr>
<td>Policy 2-7 MISCELLANEOUS COMPENSATION AND OTHER BENEFITS (PERQUISITES)</td>
<td>15</td>
</tr>
<tr>
<td>2.7.1 Honoraria</td>
<td>15</td>
</tr>
<tr>
<td>2.7.2 Events Sponsored by the School</td>
<td>16</td>
</tr>
</tbody>
</table>
2.7.3 Meals ........................................................................................................................... 16
2.7.4 Temporary Housing Provided to Visitors and Guests ................................................... 16
2.7.5 Uniforms and Maintenance of Uniforms ..................................................................... 16
2.7.6 Authorized Commuting ............................................................................................... 16
2.7.7 Memberships ............................................................................................................... 16
2.7.8 Exceptions to Policy .................................................................................................... 17
Policy 2-8 MOVING AND RELOCATION .............................................................................. 17
  2.8.1 Reimbursement for Moving Expenses and Allowances ............................................ 17
Policy 2-9 ALCOHOL PURCHASE ....................................................................................... 18
  2.9.1 Purpose and Application ......................................................................................... 18
  2.9.2 Purchase of Alcohol while Traveling Away from Home ......................................... 18
  2.9.3 Quantity of Alcohol Purchased .............................................................................. 18
  2.9.4 Procurement and Accounting ............................................................................... 18
  2.9.5 Required Approvals ............................................................................................... 19
CHAPTER 3: CONTRACTS ....................................................................................................... 20
Policy 3-1 SCHOOL CONTRACTS ......................................................................................... 20
  3.1 CATEGORIES ............................................................................................................... 20
  3.2 POLICY ....................................................................................................................... 21
  3.3 CONTENT OF SCHOOL CONTRACTS ......................................................................... 21
  3.4 APPROVED SCHOOL CONTRACT FORMS .................................................................. 23
  3.5 SCHOOL CONTRACT APPROVALS ............................................................................. 24
  3.6 SCHOOL CONTRACT LEGAL REVIEW ...................................................................... 25
  3.7 SCHOOL CONTROLLER REVIEW AND APPROVAL ................................................. 26
  3.8 BUSINESS OPERATIONS REVIEW AND APPROVAL ............................................. 26
  3.9 ENCUMBRANCES ....................................................................................................... 27
  3.10 MONITORING OF STATE CONTRACTS ................................................................. 27
  3.11 INDEPENDENT CONTRACTOR RELATIONSHIP .................................................. 27
  3.12 EXCEPTIONS ............................................................................................................. 27
  3.13 SPECIAL PROVISIONS ............................................................................................ 27
CHAPTER 4: CAPITAL CONSTRUCTION ................................................................................... 28
Policy 4-1 CAPITAL CONSTRUCTION ADMINISTRATION ................................................... 28
  4.1.1 Thresholds for Contracts versus Purchase Orders .................................................. 28
  4.1.2 Modifications to Thresholds .................................................................................... 28
Policy 4-2 STATE CAPITAL CONSTRUCTION PROJECTS ................................................ 28
  4.2.1 The State Capital Construction Fund ..................................................................... 28
CHAPTER 5: TRAVEL

5.1 SCOPE .................................................................................................................. 30
  5.1.1 Reimbursement ................................................................................................. 30
  5.1.2 Traveler’s Responsibilities ................................................................................ 30
  5.1.3 Approving Authority’s Responsibilities ............................................................ 31

5.2 TRAVEL AUTHORIZATION ................................................................................. 31
  5.2.1 In-State Travel .................................................................................................. 31
  5.2.2 Out-of-State Travel ......................................................................................... 31
  5.2.3 International Travel ........................................................................................ 31
  5.2.4 Travel at No Cost to CSM .............................................................................. 31
  5.2.5 Preferred Travel Agency .................................................................................. 32

5.3 CASH ADVANCE ................................................................................................. 32
  5.3.1 Amount of Advance ......................................................................................... 32
  5.3.2 Approval .......................................................................................................... 32
  5.3.3 Settlement of Advance ...................................................................................... 32

5.4 ALLOWABLE EXPENSES WHILE TRAVELING AWAY FROM HOME .......... 33
  5.4.1 Lodging ............................................................................................................ 33
  5.4.2 Meals and Incidental Expenses ....................................................................... 33
  5.4.3 Meals for Days Traveler Departs and Returns ............................................... 33
  5.4.4 Transportation ................................................................................................. 34
  5.4.5 Rental Vehicles ............................................................................................... 34
  5.4.6 Mileage for Personal Vehicles ....................................................................... 34
  5.4.7 Airfare ............................................................................................................. 34
  5.4.8 Tips ................................................................................................................ 35
  5.4.9 Other Allowable Expenses While Traveling Away from Home ...................... 35
  5.4.10 Non-Business Days ....................................................................................... 35
  5.4.11 Trips Over 30 Days ....................................................................................... 36
  5.4.12 Summary of Allowable Travel Expenses ....................................................... 36

5.5 UNALLOWABLE TRAVEL EXPENSES WHILE TRAVELING AWAY FROM HOME .................. 36

5.6 CERTIFICATION AND APPROVAL ................................................................. 37
  5.6.1 Certification .................................................................................................... 37
  5.6.2 Approval ........................................................................................................ 37

5.7 REIMBURSEMENT REQUIREMENTS ............................................................... 37
  5.7.1 Approved TA and TE Forms ........................................................................... 37
Policy 8-3 COST ALLOCATION PLANS .................................................................................. 45
CHAPTER 9: PAYROLL ........................................................................................................ 47
Policy 9-1 PAYROLL SYSTEMS ......................................................................................... 47
Policy 9-2 DIRECT DEPOSIT ............................................................................................ 47
Policy 9-3 OVERPAYMENTS TO EMPLOYEES ............................................................... 47
APPENDIX A - DEFINITIONS ............................................................................................ 48
APPENDIX B – PURCHASE ORDER TERMS AND CONDITIONS .................................... 52
APPENDIX C – CONTRACTS SPECIAL PROVISIONS ....................................................... 56
APPENDIX D - EXAMPLES OF SENSITIVE EXPENDITURES ........................................... 58
1.0 APPLICATION OF THESE FINANCIAL POLICIES

These Financial Policies of the Board of Trustees of the Colorado School of Mines (hereinafter, the “CSM Financial Policies” or “Policies”) shall apply to all operations under the control of the Board of Trustees. Throughout the document, the terms Colorado School of Mines, CSM, and School all refer to the Colorado School of Mines.

2.0 BACKGROUND AND PURPOSE

In the 2010 legislative session, Senate Bill 10-003, referred to as the Higher Education Flexibility Bill, was passed by the General Assembly and signed by the Governor that allowed, among other things, institutions of higher education to be excluded from certain sections of C.R.S. §24-30-202. Specifically, C.R.S. §24-30-202 (13) (b) was changed as follows (text in all CAPS added):

(b) It is the intent of the general assembly that fiscal rules promulgated by the controller shall be applicable to any institution of higher education; notwithstanding any specific grant of authority to the governing board of such institution of higher education EXCEPT THAT THE GOVERNING BOARD OF AN INSTITUTION OF HIGHER EDUCATION THAT HAS ADOPTED FISCAL PROCEDURES AND HAS DETERMINED THAT THE FISCAL PROCEDURES PROVIDE ADEQUATE SAFEGUARDS FOR THE PROPER EXPENDITURE OF THE MONEYS OF THE INSTITUTION MAY ELECT TO EXEMPT THE INSTITUTION FROM THE FISCAL RULES PROMULGATED BY THE CONTROLLER PURSUANT TO THIS SUBSECTION (13), INCLUDING ANY PROCEDURES OR FORMS REQUIRED BY LAW TO BE PROMULGATED BY THE CONTROLLER AND ANY REVIEW OR APPROVAL REQUIRED TO BE PERFORMED BY THE CONTROLLER, AND SHALL NOT BE REQUIRED TO COMPLY WITH RULES PROMULGATED PURSUANT TO THIS SUBSECTION (13) OR WITH THE PROVISIONS OF SUBSECTION (1), (5) (b), (20.1), (22), OR (26) OF THIS SECTION. THE PROVISIONS OF THIS PARAGRAPH (b) SHALL ALSO APPLY TO THE BOARD OF DIRECTORS OF THE AURARIA HIGHER EDUCATION CENTER WITH REGARD TO THE EXPENDITURE OF MONEYS OF THE AURARIA HIGHER EDUCATION CENTER.

This flexibility was authorized in recognition of the extraordinary reduction in state support for higher education institutions as well as the increasingly divergent operating needs of colleges and universities relative to other State agencies.

It is the intent of the School’s management to adopt and implement financial policies for the School that provide the needed flexibility to conduct School operations in the most efficient and effective manner while ensuring adequate safeguards for the proper expenditure of School resources. Adoption of such School specific financial policies will result in immediate efficiency gains through the elimination of the time and effort required to obtain State Controller approval for both routine and unique School transactions. It will also result in staff time savings by the gradual elimination of duplicative and unnecessary steps in approving expenditures and processing payments and contracts.
CHAPTER 1: ACCOUNTING

Policy 1-1 ACCOUNTING PRINCIPLES AND STANDARDS

The accounting principles of the School shall be based on generally accepted accounting principles (GAAP) as adopted by the Governmental Accounting Standards Board (GASB) and applicable laws and regulations. When it is necessary to report compliance of financial transactions with statutory requirements, supplemental schedules may be used. Preparation of separate statutory-based reports may also be necessary.

Policy 1-2 INTERFACE WITH THE STATE FINANCIAL SYSTEM

The School shall have the option to use its own accounting systems with an automated interface into the State’s system, or use the State’s system directly as determined by the Chief Financial Officer and Controller. If the School chooses to use its own accounting system, the Controller shall continue to report to the State Controller regarding its financial transactions as required by law. To facilitate such reporting, the School shall maintain an electronic interface with the State financial system acceptable to the State Controller and the School.

The School is authorized by the State Controller as the custodian of the School’s portion of the financial database on the State financial system. The School shall not grant any person access to financial data contained on the State financial system for general perusal, other than School Employees or representatives for Official School Business purposes. Specific requests for query access to the financial database of the School’s financial system shall be in accordance with the Colorado Open Records Act.

Policy 1-3 DELEGATED AUTHORITY

As used herein, the School President is the Chief Executive Officer (CEO), the Senior Vice President for Finance and Administration is the Chief Financial Officer (CFO), the Director of Business Operations is in charge of procurement functions, and the Controller is responsible for the fiscal management and fiscal integrity of the School. All of these individuals shall have the authority to delegate signature authority relative to these Financial Policies as appropriate and shall document any delegations via an agreement signed by the applicable Employees. Delegations are made to individuals and not positions and therefore do not transfer to an Employee who fills a position vacated by an Employee with delegated or sub-delegated authority. Delegates shall observe all rules, procedures, dollar thresholds, and other requirements of the School, respectively, and the conditions, if any, of their specific delegation.

These Policies may only be waived or amended upon approval of the CFO.

Policy 1-4 FINANCIAL TRANSACTIONS AND INTERNAL CONTROLS

The School shall implement internal accounting and administrative controls that reasonably ensure that financial transactions are accurate, reliable, and conform to these Policies prior to recording transactions on the School financial system and prior to making payment. The factors of risk, cost, and business requirements shall be considered when establishing these internal controls.

Policy 1-5 REPORTING OF FRAUD, THEFT, OR EMBEZZLEMENT

The School is responsible for the design and implementation of programs and controls to prevent, deter, and detect fraud. Any suspected fraudulent misstatements of the financial statements shall be reported to the Controller. Any suspected theft or embezzlement of School funds or assets shall be handled in accordance with School’s Fraud Policies and Procedures.
Policy 1-6 ACCOUNTABILITY AND CAPITALIZATION OF EQUIPMENT

Each Department of the School, working with the Controller’s Office, is responsible for ensuring that all Equipment acquired by the School is properly accounted for when acquired, inventoried and safeguarded throughout its useful life, and properly accounted for at the time of disposal. Items with a useful life of greater than one year purchased by the School shall be either capitalized, if the cost of the Equipment is $5,000 or greater, or expensed in the fiscal year in which it was acquired. Campus departments are encouraged, but are not required, to maintain Equipment inventory lists of Equipment costing less than $5,000 that the department believes is susceptible to theft, such as computers, lab equipment, etc. If such lists are maintained, departments should review and update the inventory lists on an annual basis.

AUTHORITIES

C.R.S. §24-17-102(1) (Internal Controls)
C.R.S. §24-17-103 (Annual Internal Control Report)
C.R.S. §18-4-401 (Theft)
C.R.S. §18-5-102 (Forgery)
C.R.S. §18-8-407 (Embezzlement of Public Property)
C.R.S. §24-17-101 (State Department Financial Responsibility and Accountability Act)
CHAPTER 2: DISBURSEMENTS

Policy 2-1 PROPRIETY OF EXPENDITURES

All expenditures by the School shall be made for official business purposes only and shall be reasonable and necessary under the circumstances. Expenditures shall at all times be limited to the amount of funds that have been budgeted or allocated for such purposes.

The tests of propriety are used to evaluate whether or not an expenditure is an appropriate use of School funds, regardless of the source. An expenditure of School funds will be considered proper only if it meets all of the tests of propriety. The list below contains questions designed to test the propriety of expenses by forming an evaluation framework.

Is this transaction:

i. For Official School Business?
ii. In the best interest of the School?
iii. The most effective way to accomplish Official School Business?
iv. Without the expense, would programmatic objectives be difficult or otherwise more costly to achieve or would the impact, level, or quality of the achievement be reduced?
v. In compliance with applicable policies, laws, regulations and rules; and contracts, grants, and donor restrictions including having the required approvals and authorizations by the appropriate individuals?
vi. Within the available resources of the responsible unit, taking into consideration all outstanding commitments and encumbrances?
vii. Directly beneficial to the responsible unit where it is being charged?
viii. Reasonable? – (The quantity and quality of goods or services being purchased are sufficient to meet the School’s identified need without exceeding it).
ix. In compliance with School conflict of interest provisions? – (Does an Employee derive private gain, or appear to derive private gain, as a result of the transaction? If yes, then the transaction violates the conflict of interest provisions in the faculty handbook).

If any of the above questions receives a “no” response then the transaction is not appropriate for School funds. Evaluating the propriety of School expenses requires exercising a high degree of judgment and discernment.

The mere appearance of impropriety with a sensitive purchase may be just as serious and damaging as the existence of actual impropriety. Reports of impropriety based on appearances can undermine the public trust in our institution and its commitment to its educational mission. Accordingly, apparent impropriety should be evaluated with the same vigor as actual impropriety.

Fiscal Authority is the ultimate responsibility of the President, who may delegate that authority to the Vice Presidents. Vice Presidents may further delegate this responsibility to department heads, division directors, center and institute directors, for funds that they manage. All fund managers and those authorized to make expenditures are charged with management of funds in compliance with this policy and all expenditures are expected to be consistent with the operational needs of their respective units. Individual sensitive expenditures or a group of sensitive expenditures for a single event, see Appendix D, exceeding $4,000 must be approved by the appropriate Vice President or Provost.

Appendix D includes examples of appropriate and inappropriate expenditures under this Policy.
Policy 2-2 COMMITMENT VOUCHERS

1. Use of *Commitment Vouchers*
2. Dollar Limits and Requirements
3. School Purchase Orders
4. School Contracts
5. *After-the-Fact Purchases*
6. *Advance Payments*
7. Emergencies
8. Vendor Agreements
9. Purchase Order Terms and Conditions

### 2.2.1 Use of Commitment Vouchers

The School shall not disburse funds unless the disbursement is supported by a *Commitment Voucher* or small purchase documentation. With respect to proposed expenditures, the School shall review the *Commitment Voucher* to ensure that:

- Expenditure is authorized by the appropriate departmental authorities and required approvals have been received;
- Expenditure is reasonable and necessary;
- Prices or rates are fair and reasonable;
- Expenditure amount is within the available unencumbered balance;
- Adequately defines the requirements, respective performance obligations of the parties, and pricing;
- Terms and conditions represent a commercially reasonable allocation of risks between the parties;
- Complies with applicable statutes, executive orders, School procedures, and policies.

### 2.2.2 Dollar Limits and Requirements

<table>
<thead>
<tr>
<th>TYPE OF AGREEMENT</th>
<th>DOLLAR LIMIT</th>
<th>REQUIREMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total value of the commitment; for multiple-year commitments, the total value is equal to the sum of the commitments for all contract years.</td>
<td></td>
</tr>
<tr>
<td>Goods</td>
<td>$5,000 and less</td>
<td>Small Purchase Documentation, including Procurement Card, or any Commitment Voucher</td>
</tr>
<tr>
<td></td>
<td>Above $5,000</td>
<td>PO or School Contract Create Encumbrance</td>
</tr>
<tr>
<td>TYPE OF AGREEMENT</td>
<td>DOLLAR LIMIT</td>
<td>REQUIREMENTS</td>
</tr>
<tr>
<td>----------------------------------------</td>
<td>-------------------------------------------------------------------------------</td>
<td>--------------------------------------------------</td>
</tr>
<tr>
<td>Total value of the commitment; for</td>
<td>For commitments involving multiple years, the total value is equal to the</td>
<td>Small Purchase Documentation or any Commitment</td>
</tr>
<tr>
<td>multiple-year commitments, the total</td>
<td>sum of the commitments for all contract years.</td>
<td>Voucher</td>
</tr>
<tr>
<td>value is equal to the sum of the</td>
<td></td>
<td></td>
</tr>
<tr>
<td>commitments for all contract years.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Services</td>
<td>$5,000 and less</td>
<td>PO or School Contract Create Encumbrance</td>
</tr>
<tr>
<td>Above $5,000, but less than or</td>
<td></td>
<td></td>
</tr>
<tr>
<td>equal to $100,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Above $100,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital Construction / Controlled</td>
<td>NA</td>
<td>See Financial Policy 4-1</td>
</tr>
<tr>
<td>Maintenance</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Professional Services under C.R.S.</td>
<td>Any dollar amount</td>
<td>School Contract Create Encumbrance</td>
</tr>
<tr>
<td>§24-30-1401, et seq., including</td>
<td></td>
<td></td>
</tr>
<tr>
<td>architectural, engineering, land</td>
<td></td>
<td></td>
</tr>
<tr>
<td>surveying, industrial hygienist, and</td>
<td></td>
<td></td>
</tr>
<tr>
<td>landscape architect services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Real Property lease or License of land,</td>
<td>Any dollar amount</td>
<td>School Contract Create Encumbrance</td>
</tr>
<tr>
<td>buildings, or a portion thereof for</td>
<td></td>
<td></td>
</tr>
<tr>
<td>term of more than 30 days</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

2.2.2.1 **Protecting the School's Interests** School Contracts shall be used in situations in addition to those described in this Policy if other Commitment Vouchers do not adequately protect the School's interests. Refer questions regarding the proper form of Commitment Voucher to the Director of Business Operations.

2.2.2.2 **Exempt Disbursements** A Commitment Voucher is not required for the following types of disbursements regardless of the amount of funds disbursed:

- Calculated payments required under a program within the School (e.g., formula distributions, other distributions required by regulatory or statutory formulas);
- Copier rental agreements when the payment is based on cost per copy;
- Conference registrations;
- Insurance purchases;
- Internal services routinely provided by the School (e.g., internal printing or copying services, legal services provided by School Counsel);
- Intra-Department purchases;
- Moving expenses reimbursed to Employees (Financial Policy 2-8);
- Payroll and related disbursements (withholding, authorized benefits, etc.);
- Postal and other delivery charges, including messenger fees;
- School program payments to or on behalf of individuals qualified for the program’s benefits (e.g., financial aid or tuition assistance);
- Subscriptions for journals, informational publications, or similar materials (electronic or hard copy) which do not include services;
- Utility hook ups and line extensions performed by a utility company;
- Water, gas, electric, and customary local and long-distance telephone services, including pagers and cell phones, which are routinely purchased by the School; and
- Other disbursements approved in writing by the Controller.

2.2.3 Purchase Orders

2.2.3.1 Standard Provisions All Purchase Orders issued by the School shall include the School’s standard Purchase Order Terms and Conditions.

2.2.3.2 Interagency Purchase Orders In situations where the School is issuing a Purchase Order to another Colorado State agency or institution of higher education, the School may change or delete any standard provisions.

2.2.3.3 Revision of Standard Terms and Conditions The School, when issuing a Purchase Order to a Party other than another Colorado State agency or institution of higher education, shall not change or delete the standard Purchase Order provisions unless it obtains prior written approval from the Director of Business Operations, except that:

No changes to the Public Contracts for Services or Public Contracts with Natural Persons provisions may be made without legal review and written approval by the Director of Business Operations.

2.2.3.4 Services involving transfer of confidential information All Purchase Orders issued by the School that involve the transfer of or access to confidential electronic information shall comply with applicable School policies related to confidential information and IT security and with applicable laws and regulations related to confidential information.

2.2.4 School Contracts

The School shall use a school contract as the Commitment Voucher for all purchases or leases of goods and services, as required under Financial Policy 3-1. School contracts shall comply with requirements of Financial Policy 3-1.

2.2.5 After-the-Fact Purchases

2.2.5.1 Payment Prohibition The School shall not make payments to a vendor when an After-the-Fact Purchase has occurred, unless the Controller has ratified the After-the-Fact Purchase.

2.2.5.2 Personal Liability Under C.R.S. §24-30-202(3), any person(s) who knowingly incurs, orders, or approves for an obligation or makes a payment which creates an After-the-Fact Purchase may be personally liable for such obligation, unless the Controller ratifies the After-the-Fact Purchase.

2.2.5.3 Internal Controls The School shall maintain an adequate system of internal controls to identify After-the-Fact Purchases, to prevent or minimize such violations, and to implement the provisions of this section.

2.2.5.4 Ratification The Controller, in his or her sole discretion, may ratify the expenditure or obligation creating an After-the-Fact Purchase, if he or she finds all of the following:

- The prices or rates are fair and reasonable;
- The amount of the expenditure is within the unencumbered balance;
The School department provides a written explanation for why the After-the-Fact Purchase occurred;

- The parties did not act in bad faith or in a fraudulent manner; and
- The violation is not repeated or part of a consistent pattern of After-the-Fact Purchases.

2.2.6 Advance Payments

2.2.6.1 General Prohibition School contracts and other Commitment Vouchers shall not provide for Advance Payment for goods supplied and/or services performed or for any other contractual obligation, except as permitted herein.

2.2.6.2 Waiver Process The Controller may waive this requirement upon finding that Advance Payment is an established industry standard and/or provides a benefit to the School at least equal to the cost and risk of the Advance Payment.

2.2.6.3 Exceptions - Prior Approval Not Required Advance Payments for a period of one year or less are permitted without prior approval of the Controller for the following:

- Advertising services and related goods;
- Charter Transportation;
- Construction permits;
- Federal grants awarded by the School to sub-grantees (in compliance with Federal requirements);
- Overnight travel accommodations such as hotels, motels, etc.;
- Information Technology (IT) service agreements (including internet access, systems and database access);
- Insurance premiums;
- Interagency Agreements;
- Licenses, including Licenses for software;
- Maintenance of office equipment or information technology (IT) (software and hardware) and other maintenance agreements;
- Membership dues;
- Personal Property Lease Agreements or rentals;
- Post Office/Safety Deposit Box rentals;
- Professional services provided by expert witnesses hired for litigation purposes, mediators, entertainers, and speakers;
- Real property leases, where the School is a tenant, and perpetual easements, if the entire interest is purchased and all attendant rights are transferred upon payment;
- Sponsored projects;
- Subscriptions for journals, informational publications or similar materials (electronic or hard copy), which do not include services;
- Tuition, registration, and fees charged for trainings, classes, conferences, and seminars;
- Utility hook ups and line extensions performed by a utility company; and
- Water rights purchases or temporary leases.

2.2.7 Emergencies

Disbursements for Emergency procurements may be made upon presentation of invoices, receipts, or other statements describing goods or services purchased and the amount to be paid. Goods and services necessary to respond to an Emergency may be procured immediately, without issuing a Commitment Voucher or obtaining a written waiver from the Director of Business Operations, where all of the following conditions are met:
i. The nature of the threat requires an immediate response and there is insufficient time to issue a **Commitment Voucher**;

ii. The procurement is authorized by the Director of Business Operations;

iii. The procurement is made with such competition as is practicable under the circumstances;

iv. A **Commitment Voucher** is executed as soon as possible to define future performance obligations, if any, of the vendor and School, as required by these Policies;

v. The department notifies the Director of Business Operations in writing, as soon as possible, of the circumstances, goods and services purchased, and the dollar amount of the commitment.

### 2.2.8 Vendor Agreements

**2.2.8.1 Prohibited Use.** A **Vendor Agreement** shall not be used in lieu of a School Purchase Order or contract, where one is required, absent the prior written approval of the Director of Business Operations. A **Vendor Agreement** is not required where a School Purchase Order or contract is not required, except as provided in this Policy.

**2.2.8.2 Permitted Use.** The Controller or the Director of Business Operations may authorize the use of **Vendor Agreements** up to $5,000, if a School Contract or Purchase Order is not required.

### 2.2.9 Purchase Order Terms and Conditions See Appendix B.

**Policy 2-3 RECEIVING REPORTS**

**2.3.1 Purchase of Goods**

For the purchase of goods that exceed $5,000, receiving reports, or other sufficient documentation, shall be prepared for the goods received, showing actual quantities, any unsatisfactory condition, and compliance with specifications, prior to processing a voucher for payment.

**2.3.2 Purchase of Services**

For the purchase of services that exceed $5,000, the Approving Authority shall ensure that the services provided were in accordance with terms and conditions of the commitment voucher prior to approving and submitting the invoice for payment to the Controller’s Office.

**Policy 2-4 PURCHASE DISCOUNTS**

Payments shall be processed in a timely manner and made within the allowable discount period to ensure the School takes advantage of purchase discounts.

**Policy 2-5 INTEREST PAYMENTS ON DELINQUENT PAYABLES**

The School shall process invoices and other notices of liability as efficiently as possible in order to ensure payment in accordance with contractual or invoice terms, and in the absence of such terms, as soon as possible, or in accordance with statutory provisions. A delinquent payable shall be assessed interest at the applicable statutory rate.

All written contracts and Purchase Orders shall provide for a reasonable time of payment considering the nature of the goods or services provided and review and approval required for payment. If no time for payment has been provided for in writing, interest on the unpaid balance shall be calculated beginning.
with the forty-sixth day after the liability for such payment arises under this Financial Policy. Interest shall be assessed at the applicable statutory rate or as stated in the contract or Purchase Order.

Payment of the interest liability incurred under this Financial Policy shall be processed on a separate voucher. The voucher shall be supported by a written claim, prepared by the School or the vendor, referencing the delinquent payment, the number of days of interest to be paid, and the applicable interest rate. Such claims may be modified by the School to adjust payments to include such items as additional interest due for time required to process interest payments.

Policy 2-6 OFFICIAL FUNCTIONS AND TRAINING FUNCTIONS

Expenditure of funds for Official Functions and Training Functions shall be limited to reasonable and actual costs. The attendance of School Employees at Official Functions shall include only those individuals necessary to or directly related to the purpose of the function. In order to be paid, expenditures incurred for Official Functions must first receive prior approval by the appropriate Approving Authority.

Policy 2-7 MISCELLANEOUS COMPENSATION AND OTHER BENEFITS (PERQUISITES)

An Employee of the School shall not receive any type of benefit by virtue of their position unless such benefit is provided as part of a School benefits program or under this Procedure. No Employee shall have the authority to grant any Perquisites, nor shall any Employee receive any Perquisite except as provided by State statute, State Personnel Rules, general School benefits plans or programs, or under this Procedure. Monetary allowances shall not be given to Employees in lieu of benefits, except as provided by statute, provided under a benefits plan of the School, or approved by the Controller. Where School policies and State statutes provide allowances for maintenance and ordinary expenses incurred in the performance of duty, it is the responsibility of the Controller to establish specific expenses that are covered by the allowance so that the same expenses are not also directly reimbursed.

1. Honoraria
2. Events Sponsored by the School
3. Meals
4. Temporary Housing Provided to Visitors and Guests
5. Uniforms and Maintenance of Uniforms
6. Authorized Commuting
7. Memberships
8. Exceptions to Policy

2.7.1 Honoraria

For a faculty Employee, the requirements outlined in Section 6.4 of the Faculty Handbook shall be followed. A non-faculty Employee may earn an honorarium for a speaking engagement that: is outside of the scope of the non-faculty Employee’s official duties and working hours, is non-recurring, and is commensurate with the nature of the event and the benefit to the external party making the payment. Honoraria may not be used to pay an Employee for services of any type rendered to the School. An honorarium payment made by an external party may be retained by the non-faculty Employee unless resources of the School were used in preparing the presentation, event scheduling, etc., or the engagement was during working hours and the non-faculty Employee did not take leave for that time. In the latter case, the honorarium should be turned over to the Controller’s Office for proper recording. Any travel expenses related to the engagement would then be valid expenses for Reimbursement by the School.
2.7.2 Events Sponsored by the School

The School may provide a reasonable discount to Employees for events such as sporting events, seminars, instructional Courses, cultural events and the like, so long as the discount is fair and equitable among Employees.

Such discounts shall generally be offered on a first-come, first-served basis, except that the School may reserve a specified and reasonable number of admissions to particular events to be distributed on a targeted basis for the purpose of public relations or alumni relations, or for the purpose of Student or Employee recruitment. The CFO must provide prior approval in writing of all plans for discounted admissions.

2.7.3 Meals

Meals prepared at School dining facilities are primarily for the benefit of the Students housed at these facilities. However, meals may be provided to School Employees working at these facilities and guests visiting these facilities. When a meal is provided to School Employees or guests, the amount charged for the meal shall be established to at least recover the full cost of the meal. If an Employee, for the convenience of the School, is required to eat at a School facility, the meal may be provided at no cost to the Employee and if a meal is provided, the value of the meal shall not be reported as taxable income to the Employee.

2.7.4 Temporary Housing Provided to Visitors and Guests

Where space is available, temporary housing may be provided to visitors and guests of the School in accordance with applicable School policy, if any. If the visitor or guest is to be charged for the temporary housing, the charge shall be set at an amount which will at least recover all direct and indirect costs and be reasonable in comparison to the charge for similar housing, if such housing is available.

2.7.5 Uniforms and Maintenance of Uniforms

Uniforms required to be worn by School Employees and the necessary maintenance of these uniforms may be provided to the Employee by the School at no charge, at a reduced charge, or through a uniform allowance.

2.7.6 Authorized Commuting

School-owned motor vehicles may be used for commuting. The Employee must provide to his or her department head written justification for using a school-owned motor vehicle to commute and obtain prior written authorization from the department head. All approved use of School-owned motor vehicles must be reported to the Controller by the department head who authorized the use. Imputed income may be assessed and reported for the use of a School-owned vehicle in accordance with applicable Internal Revenue Service Code and regulations.

2.7.7 Memberships

The School may provide for memberships for Employees to professional organizations related to their employment responsibilities. Unless recommended by the appropriate vice president and approved by the President, the School shall not provide individual memberships for Employees to social clubs, country clubs or other non-professional societies or clubs.
2.7.8 Exceptions to Policy

i. Exceptions to this policy may be approved only with the prior written approval of the CFO or Controller.

Policy 2-8 MOVING AND RELOCATION

Prior to committing to pay for moving expenses, they must first be authorized by the CEO, or a delegate, if the move of residence is occasioned by a change in assignment, a promotion, or for another reason related to the Employees’ duties. [For Employees subject to the state personnel rules, only those moving expenses eligible for payment in accordance with those rules can be paid or reimbursed.] The School shall not reimburse or pay moving expenses for a School Employee when the move is made solely for personal reasons. Moving and relocation expenses for newly hired Employees may be authorized at the discretion of the appropriate Vice President for the person being hired.

2.8.1 Reimbursement for Moving Expenses and Allowances

2.8.1.1 Moving of household effects - commercial mover

Payment shall be allowed for the necessary expenses incurred for the packing, insurance, transportation, storage in transit not to exceed thirty days, unpacking, and installation at the new location, of an Employee's household effects.

Payment shall not be made for moving household effects in excess of ten thousand pounds net weight for those with dependents and five thousand pounds net weight for those without dependents. Any expenses, including insurance for household effects exceeding the weight limitations shall be borne by the Employee being moved.

Claims shall be accompanied by at least two competitive bids and payment shall be made at the rates proposed in the lowest responsible bid. If a move is billed at an hourly rate, the carrier shall weigh the items moved and this weight shall be used to apply the above weight limitations.

2.8.1.2 Moving of household effects - Employee

An Employee may prefer to move household effects by rental trailer or truck in lieu of using a commercial mover. Two responsible bids shall be required for Reimbursement of the rental trailer or truck if the cost exceeds $1,000.

If the Employee chooses to move household effects themselves, in lieu of using a commercial mover, and requests Reimbursement for moving expenses from the School, the Employee shall obtain two responsible bids from a commercial mover, prior to the move. The Employee shall be reimbursed one-half of the lowest responsible bid for commercial moving not to exceed $1,500 and be reimbursed for the rental trailer or truck at the lowest responsible bid if required. This provision may also apply in certain circumstances when the Employee's mobile home or house trailer cannot be used to move household effects.

Mileage allowance for one personal automobile shall be authorized and reimbursed at the rate set by these Financial Policies.

An Employee shall receive the per diem allowance up to a maximum of thirty days for necessary expenses incurred while locating permanent residence at the new location. The Employee may exclude interruptions caused by sick leave, vacation, other authorized leave of absence, or
ordered travel. *Reimbursement for* per diem shall not exceed the travel rates authorized by these Financial Policies.

Per diem shall consist of lodging, meals, and other miscellaneous allowances as provided in these Financial Policies.

### 2.8.1.3 Moving mobile homes and house trailers

Payment shall be allowed for charges by commercial vendors for towing of mobile homes or house trailers containing the household effects of an Employee. Towing charges may include such additional items as labor and incidental material charges for packing, tie down of household effects, removal and reattachment of skirts, and utility costs for disconnecting and reconnecting from existing utilities. It does not include the costs of concrete pads or additional labor or supplies to add or modify connections for plumbing or electrical service. Claims shall be accompanied by at least two competitive bids and payments shall be made at the rates proposed in the lowest responsible bid. Such Reimbursement shall not exceed the amount set by statute.

**Policy 2-9 ALCOHOL PURCHASE**

#### 2.9.1 Purpose and Application

The purpose of this Policy is to set forth requirements to be followed in the purchase of alcohol for Official School Business. Please note that all members of the Mines community shall also adhere to the Institutional Alcohol Policy, and when planning events with alcohol where students will be present shall also adhere to the Student Alcohol Policy & Procedures.

The alcohol purchase policy applies only to alcohol intended for consumption, whether purchased or donated.

Per Policy 2-1, the purchase of alcohol is permissible at the School depending upon the purpose of the event or activity for which it is being purchased. Alcohol may be purchased for any of the following purposes:

- *Official functions*
- *Meetings/conferences for which fees are charged*
- *Fundraising events*

When alcohol is being purchased for one of these purposes, the purchase shall only be made from discretionary gift funds.

#### 2.9.2 Purchase of Alcohol while Traveling Away from Home

The School shall not reimburse for alcohol that is purchased for personal consumption while *Traveling Away from Home* unless such purchase meets the requirements of 2.9.1 above.

#### 2.9.3 Quantity of Alcohol Purchased

Approved alcohol purchases shall be made in a quantity that accurately reflects and limits the estimated amount to be consumed at the event in order to prevent excessive consumption and minimize an accumulation of alcohol inventory on School premises.

#### 2.9.4 Procurement and Accounting
All alcohol purchases, regardless of cost or quantity, must be made using purchase requisitions only. All alcohol purchased shall be charged to the appropriate gift Index/FOAP using accounts 5529 – Student Activity, or 5559 – Official Function, or 5560 – Conferences, as appropriate.

2.9.5 Required Approvals

Events where alcohol will be served/consumed require approval from the President, Provost, appropriate Vice President or respective Department Head. If the President, Provost, appropriate Vice President or respective Department Head is not available, the Senior Vice President for Finance and Administration shall have the authority to review and approve such requests.

Approval may be indicated by signature on purchase requisition form or via an electronic signature. Note that if purchasing alcohol for an event at which students will be present, the prior approval of the Associate Dean of Students is also required.

AUTHORITIES:

C.R.S. §24-50-134
CHAPTER 3: CONTRACTS

Policy 3-1 SCHOOL CONTRACTS

1. Categories
2. Policy
3. Content of School Contracts
4. Approved School Contract Forms
5. School Contract Approvals
6. School Contract Legal Review
7. School Controller Review and Approval
8. Encumbrances
9. Monitoring of School Contracts
10. Independent Contractor Relationship
11. Exceptions to Fiscal Policy 3-1

3.1 CATEGORIES

3.1.1 Expenditure Contracts

- Capital Construction Contracts;
- Employee Voluntary Separation Agreements;
- Fund Management Services Agreements;
- Goods Contracts;
- Information Technology Contracts;
- Investment Advisory Services Agreements;
- Personal Property Leases/Licenses - School as Lessee or Licensee;
- Personal Services Contracts;
- Personal Services Review Exempted Contracts;
- Professional Services Contracts;
- Real Property Leases/Licenses – School as Tenant or Licensee;
- Real Property Purchase Agreements – School as Buyer;
- Settlement Agreements;
- Energy Performance Contracts;
- Solar Host Agreements;
- Power Purchase Agreements.

3.1.2 Revenue Contracts

- Franchise Agreements;
- Real Property Leases/Licenses – School as Landlord or Licensor;
- Real Property Purchase Agreements – School as Seller;
- Fee for Service Contracts;
- Facilities Use Agreements.

3.1.3 Other Contract Types

- Debt Contracts;
- Grant Contracts;
- Interagency Agreements;
3.2 POLICY

A School contract that meets the form, content and approval requirements described in this Chapter 3 shall constitute a **Commitment Voucher** for purposes of School Financial Policy 2-2.

3.3 CONTENT OF SCHOOL CONTRACTS

3.3.1 Expenditure Contracts, Debt Contracts, and Price Agreements

The form and content requirements of this §3.1 shall apply to all Expenditure Contracts, Debt Contracts, and Price Agreements except as limited or excluded herein. This section shall not apply to Real Property Leases, Settlement Agreements, Voluntary Separation Agreements, Insurance Coverage Agreements, or Health Benefits Agreements (including dental, vision, pharmacy, and wellness benefits).

3.3.1.1 General Provisions.

The following General Provisions shall be included in all contracts covered by this §3.1:

- Identification of the parties;
- Statement of work;
- Payment terms, including maximum dollar amount;
- Performance period;
- General terms and conditions;
- Special Provisions (see Appendix to this Financial Policy);
- Signature page; and
- Statement that the contract shall not be valid until it has been approved by the School Controller or Controller’s Delegate.

3.3.1.2 Real Property Purchases (School as Buyer), Leases (School as Tenant) and Licenses (School as licensee)

School Contracts for the purchase, lease, or license of real property shall contain the following provisions:

**3.3.1.2.1.** If the School is the buyer, tenant, or licensee, the contract shall include the following Special Provisions:

- Controller or Controller’s Delegate Approval;
- Funds Availability; and
- Vendor Offset.
3.3.1.2.2. If the School is the buyer, tenant, or licensee, the contract may include the other Special Provisions, at the discretion of the School.

3.3.1.2.3. If the School is the tenant or licensee, the contract shall include provisions specifying cancellation rights if the real property leased or licensed is destroyed by fire and/or becomes subject to eminent domain.

3.3.1.3 Capital Construction Contracts, Solar Host Contracts, and Power Purchase Agreements


3.3.2 Content for other Contract Types

3.3.2.1 Interagency Agreements

All interagency agreements, not related to sponsored research, require approval of the School’s Office of Business Operations. Each interagency agreement shall include, at a minimum, the following elements:

- Identification of the parties;
- Statement of work;
- Statement of consideration (if applicable);
- Payment and other performance terms; and
- Definition of breach and remedies.

3.3.2.2 Intergovernmental Agreements

3.3.2.2.1 Special Provisions. The School, when contracting with governmental entities outside of the School, shall not agree to modify the Special Provision requiring the governance of Colorado law, but, if requested, may agree to strike the Choice of Law Special Provision, resulting in contractual silence as to governing law. Any other change to the Choice of Law Special Provision shall require the prior written approval of the School’s Contracts Office and a reviewing attorney where appropriate.

3.3.2.2.2 Federal Government Contracts. All intergovernmental agreements with any agency of the federal government not related to sponsored research shall be reviewed by the School’s Office of Business Operations.

3.3.2.2.3 Sponsored Project Agreements. See applicable School policies governing sponsored projects.

3.3.3 Provisions for All Contract Types

3.3.3.1 Indemnification by the School Prohibited

Unless specifically authorized by statute, the School shall not indemnify and/or hold harmless another Party against any liability incurred as a result of the acts or omissions of the School.
or its officers, employees or agents. See Constitution of Colorado, Article V, §33 and Article XI, §1.

3.3.3.2 Limitation of Liability

3.3.3.2.1 Limitation of Vendor’s Liability - Bodily Injury and Property Damage
The School shall not limit the vendor’s liability for claims or damages, including consequential damages, arising out of bodily injury (including death) and damage to tangible property, if tangible risk is inherent in the nature of the contract. If a determination is made that no tangible risk is inherent in the nature of the contract this decision must be supported in writing by the School Risk Manager.

3.3.3.2.2 Limitation of Vendor’s Liability - Other Types of Damages
The School may accept commercially reasonable limitations of liability and/or remedy provisions, or the exclusion of consequential damages, if the benefits are deemed to outweigh the risks and this determination is documented in the contract file. Such action requires approval of the School Risk Manager or such other individuals specified in a delegation letter from the School Risk Manager.

3.4 APPROVED SCHOOL CONTRACT FORMS

All School Expenditure Contracts shall be in a form approved by the Director of Business Operations. The following contract forms are approved and additional forms may be approved at his or her sole discretion.

3.4.1 Capital Construction Contracts
See Financial Policy 4-1, “Capital Construction Administration”. See also approved contract forms available on the website of the Office of the State Architect.

3.4.2 Model Contracts
The Director of Business Operations, in consultation with the School Counsel, may adopt model contracts, as appropriate.

3.4.3 Contract Amendments
All modifications to a School Contract shall be made by a formal written amendment signed by the parties to the contract and approved the Director of Business Operations and other parties as this policy requires. A contract cannot be amended or extended (revived) after the contract term has expired.

3.4.4 Real Property Lease Agreements
Lease agreements involving real property shall be in a form approved by and set forth on the website of the Office of the State Architect, except for leases exempted by statute (see section 3.5.8 of this Financial Policy).
3.4.5 Special Provisions

All School (a) Expenditure Contracts and (b) Grant Contracts where the School is the grantor and provides funds from School, federal government, or other sources to the other Party, (c) Intergovernmental Agreements where the School provides funds to another governmental entity, (d) Debt Contracts, (e) Price Agreements, and (f) Capital Construction Contracts shall contain the Special Provisions. See Section 3.13 of this Financial Policy. No modification shall be made to a Special Provision without the prior written approval of the Director of Business Operations in consultation with a Reviewing Attorney, except as otherwise expressly provided herein.

3.4.6 Waived Contracts

Where the School will enter into multiple contracts containing identical provisions, except for the date, contractor and consideration amount, the Director of Business Operations may waive any requirement as to contract format.

3.4.7 Other contract forms

Any other contract form which may be approved by the Director of Business Operations from time-to-time.

3.5 SCHOOL CONTRACT APPROVALS

The President and the Board of Trustees of the Colorado School of Mines have final authority for all School Contracts. No person may enter into a School contract on behalf of the School without delegation from the Board of Trustees through the President and any School contract executed without proper delegation shall be deemed null and void unless it is ratified by the President or appropriate delegate. The School shall obtain all required approvals and signatures as per Board Policy 10.2 and retain documentation thereof in its files for the period specified in the applicable School document retention policy.

No Expenditure Contract is valid unless it has been approved as required by §3.5. Any person who causes a contract to be executed in contravention to §3.5 may be personally liable for any obligation incurred thereby. C.R.S. §24-30-202(3).

Additional approvals are required as follows:

3.5.1 Capital Construction and Controlled Maintenance Contracts

Require the approval of the State Architect or delegate, unless otherwise exempted by statute or waived by the State Architect. See C.R.S. §24-30-1303(1)(d).

3.5.2 Central Services Contracts

Require the approval of the Director of Business Operations.

3.5.3 Contingency-Based Contracts

Require the approval of the CFO and any other approvals deemed necessary by the CFO. See C.R.S. §24-17-204.

3.5.4 Debt Collection Services Contracts

Require the approval of the Controller. See C.R.S. §24-30-202.4.
3.5.5 Financial Information Contracts

Require the approval of the Controller. These include anything used to record financial transactions and information, develop financial reports, or prepare financial statements.

3.5.6 Legal Services Contracts

Require the approval of the President and School Counsel, on behalf of the State Attorney General or delegate.

3.5.7 Personal Services Contracts

Require the approval of the Associate Vice President for Human Resources or delegate as provided by C.R.S. §24-50-501, et seq.

3.5.8 Real Property Contracts

Require the approval of the State Architect/Director of Real Estate Programs, or delegate, unless otherwise exempted by statute. These include leases where the School is the tenant, easements, and rights-of-way contracts.

3.5.9 Utility Cost-Savings Contracts

Require the approval of the State Personnel Director or delegate except where exempted by standard form through the Colorado Governor's Energy Office. See C.R.S. §24-30-2003(1)(b).

3.6 SCHOOL CONTRACT LEGAL REVIEW

At the discretion of the School’s Contract Office, any School Contract may be subject to legal review by and approval of School Counsel. Any contract with a total value of more than $50,000; that requires the disclosure of sensitive or confidential information held by the School; that has a material risk to the School; that contains complex legal issues; or, that is a nonstandard template must be reviewed by School Counsel. In accordance with Board of Trustees policy 10.2 Section III. J. any doubt about the requirement for legal review should be resolved in favor of seeking legal review.

3.6.1 Mandatory Review

Legal review shall include, without limitation, scrutiny of contract provisions to ensure that the following requirements are met:

- Compliance with the United States and Colorado Constitutions, federal and state statutes, state regulations, and applicable School policies and procedures;
- Authority of the School representative(s);
- All essential elements of a legally binding contract;
- A statement of work or comparable provisions and business or commercial terms, which are sufficiently clear and definite, under the applicable circumstances, to be enforceable; and
- Required signatures.

3.6.2 Discretionary Review

At the discretion of the School’s Contract Office and/or the Office of Research Administration and Legal Counsel, legal review also may include:
• Review and analysis of the significant risks and issues of a particular transaction;
• Inquiry into the availability of specific remedies; and
• Review of compliance with grant conditions, federal funding requirements, and required assurances, where provided by the School.

3.7 SCHOOL CONTROLLER REVIEW AND APPROVAL

The Controller’s review and approval is required for all Expenditure Contracts and Price Agreements, except as expressly provided in these Financial Policies. The Controller may review other contracts as requested. The Controller may delegate in writing authority to approve Contracts as required by this §3.7. Any such delegation is personal to the delegee and may not be further delegated.

3.7.1 Process for Review, Approval, and Signature

3.7.1.1 Review

The Controller shall review all Expenditure Contracts to determine if the Expenditure:

- Is authorized by the fund to which it will be charged;
- Does not exceed the unencumbered balance of the fund; and
- Is encumbered.

3.7.1.2 Approval and Signature

After review, the Controller shall approve or disapprove the School Expenditure Contract. If approved, the Controller shall evidence such approval by signing the contract.

3.7.2 Contracts Not Approved by Controller

3.7.2.1 Not Binding

An Expenditure Contract is not binding on or enforceable against the School unless and until it is signed by the Controller.

3.7.2.2 Null and Void

Any Expenditure Contract disapproved by the Controller is null and void.

3.8 BUSINESS OPERATIONS REVIEW AND APPROVAL

The Office of Business Operations, which includes Contracts, Risk Management, and Purchasing, must review all expenditure contracts, except Capital Construction Contracts. The Office of Business Operations and the School’s Risk Manager must review any contract, regardless of contract type, with a total value exceeding $5,000 or that has a potential material risk to the School.

3.8.1 Mandatory Review

3.8.1.1 Prices or rates are fair and reasonable and in accordance with state law and administrative procedures;

3.8.1.2 Form and Content of the contract are sufficient and appropriate for the parties and subject matter under applicable state and federal laws, and School policies; and
3.8.1.3 Risk of the contract is outweighed by the contract’s benefits.

3.8.2 Discretionary Review

The School’s Risk Manager may review and approve any contract as requested by the Office of Legal Counsel, the Controller’s Office, the Office of Research Administration, Human Resources, or any other office initiating a contract.

3.9 ENCUMBRANCES

The School shall encumber Expenditure Contracts in accordance with School accounting and financial policies.

3.10 MONITORING OF STATE CONTRACTS

The School is exempt from the requirements of §24-102-205, §24-103.5, and §24-102-105, C.R.S.

3.11 INDEPENDENT CONTRACTOR RELATIONSHIP

The School shall take care in maintaining the distinctions between services performed by persons who are Employees of the School and services performed by independent contractors, and their employees, agents and representatives, pursuant to a Personal Services Contract. The School’s responsibilities and obligations with respect to employee/employer arrangements differ from its responsibilities and obligations with respect to independent contractors. The School may be liable to a Party for the actions of its employees, whereas independent contractors and their employees, agents, and representatives are liable for their own actions. The School is responsible for benefits for its employees, whereas independent contractors are responsible for social security taxes and benefits of their employees. The School shall follow guidelines issued by the Internal Revenue Service, the Colorado Division of Human Resources, Colorado statutes, and opinions of the State Attorney General in determining whether an individual is an employee or independent contractor.

3.12 EXCEPTIONS

3.12.1 Personal Services Contracts

This Financial Policy does not apply to School Contracts for personal services paid through an authorized School payroll system, which are exempted from the State Personnel System pursuant to C.R.S. §24-50-135.

3.13 SPECIAL PROVISIONS

See Appendix C. These Special Provisions apply to all contracts except where noted in italics.

AUTHORITIES

C.R.S. §24-2-103 (compensation for state employees)
C.R.S. §24-30-202(3)
CHAPTER 4: CAPITAL CONSTRUCTION

Policy 4-1 CAPITAL CONSTRUCTION ADMINISTRATION

4.1.1 Thresholds for Contracts versus Purchase Orders

i. Formal contracts shall be required for transactions in excess of $100,000 including construction services or installation of fixed Equipment unless previous approval has been obtained from the Director of the State Buildings Program to use a purchase order.

ii. Purchases of fixed Equipment that do not require installation services may be purchased with a purchase order.

iii. A purchase order may be used for construction not exceeding $100,000 if the Director of State Buildings Program or a delegate thereof approves the purchase order. Such approval by the Director of State Buildings Program or a delegate shall require compliance with approved building codes and signify compliance with bonding requirements in C.R.S. §38-26-106 and §24-105-201.

4.1.2 Modifications to Thresholds

All dollar thresholds or amounts contained in this Chapter 4 may be modified, at the request of the Director of Capital Planning and Construction, at any time that the Director of State Buildings Programs authorizes or adopts different thresholds or amounts.

Policy 4-2 STATE CAPITAL CONSTRUCTION PROJECTS

4.2.1 The State Capital Construction Fund

This fund was established to provide a source for appropriations to Institutions of Higher Education to acquire and maintain their physical facilities. The fund has special requirements that must be followed by the School when it receives appropriations from the fund.

All State Capital Construction Projects shall be used for their intended purpose and in compliance with C.R.S. §24-75-301, et seq. The School shall not use the State Capital Construction Fund to pay or reimburse School Employees for construction management, administrative activities, direct labor performed, or any other expense outside the scope of the State Capital Construction Project or State Controlled Maintenance Project.

Unless otherwise stated by the General Assembly as part of the capital appropriation, this does not apply to projects that are to be constructed solely from cash funds held by the School or federal funds made available for the project or a combination of cash funds and federal funds.

Contracts funded by the State Capital Construction Fund shall be executed and the funds encumbered within the time limits established by C.R.S. §24-30-1404. If the School determines that the deadlines imposed by the statute cannot be met, the School may request the Capital Development Committee to recommend to the State Controller that the deadline be waived.

4.2.2 State Capital Construction Project Retainage

The School shall withhold retainage for all State Capital Construction Projects and State Controlled Maintenance Projects where the total amount of the contract exceeds the limit established by C.R.S. §24-91-103. The retainage shall be in the form of monies withheld from the contractor or in any other form authorized by statute and acceptable to the School.
The full amount of the retainage shall be released by the School only when the contract has been satisfactorily completed and accepted, and there has been publication of the "Notice of Final Settlement" in accordance with C.R.S.§38-26-107, and there are no material outstanding claims against the project. If outstanding claims exist, retention shall be held in an amount equal to 125% of outstanding claims until all such claims are satisfied.

AUTHORITIES:

C.R.S. §24-30-1301 (State Buildings Division)
C.R.S. §24-30-1404 (Contracts)
C.R.S. §24-75-301-306 (State Capital Construction Fund)
C.R.S. §24-91-101-110 (Construction Contracts with Public Entities)
C.R.S. §24-92-101-114 (Construction Bidding)
C.R.S. §38-26-106 (Contractor Bonds)
C.R.S. §38-26-107 (Supplier Claims)
CHAPTER 5: TRAVEL

1. Scope
2. Travel Authorization
3. Travel Advance
4. Allowable Expenses While Traveling Away from Home
5. Non-Allowable Travel Expenses
6. Certification and Approval
7. Reimbursement Requirements
8. Payment of Travel Expenses
9. Special Situations
10. Per Diem Rates - Meals and Incidental Expenses

5.1 SCOPE

This Policy addresses Travel Advances and Reimbursement of travel expenses to CSM Employees, Students, and officials. CSM Employees, Students, and officials shall follow this Policy when Traveling Away from Home and for all other situations included in this Policy.

5.1.1 Reimbursement

A traveler may be reimbursed for travel expenses under this Policy only if the traveler is Traveling Away from Home or meets the criteria in one of the special situations described in 5.9 of this Policy and the travel expenses meet all of the following criteria:

i. Is for official CSM Business - travel charged to CSM, regardless of the funding source, shall be for the benefit of CSM;
ii. Are reasonable under the circumstances;
iii. Is only for the time period necessary;
iv. Is completed using the most economical means available which will satisfactorily accomplish the CSM Business;
v. Is approved by the appropriate CSM Approving Authority as required by 5.1.4 of this Policy;
vi. Traveler submits adequate documentation of the travel expenses to the Approving Authority; and
vii. Cash Advances and Travel Expense Reports (TE) are settled as required by Section 5.7 of this Policy.

5.1.2 Traveler’s Responsibilities

A Traveler shall:

i. Be responsible for controlling expenses at a reasonable level and ensuring that CSM receives adequate value for the amounts expended;
ii. Identify expenses incurred for the benefit of CSM while Traveling Away from Home and request an advance or Reimbursement for only those expenses;
iii. Submit adequate documentation of the travel expenses to the Approving Authority; and
iv. Prepare and submit TA and TE forms in accordance with §5.7 of this Policy.
5.1.3 Approving Authority’s Responsibilities

The Approving Authority shall:

i. Be a responsible administrator assigned responsibility to authorize travel expenditures for an Organizational Unit;

ii. Review and approve the expenses claimed by a traveler and authorize an advance or Reimbursement for only those expenses incurred for Official School Business;

iii. Ensure that all costs claimed for Reimbursement by a traveler comply with Policy 2-1 of these Policies;

iv. At his or her discretion, require documentation, in addition to the documentation prescribed by this Financial Policy, deemed necessary or advisable by the Approving Authority in connection with the authorization and approval of expenses; and

v. Not approve expenses for himself/herself or for an individual to whom he or she reports either directly or indirectly.

5.2 TRAVEL AUTHORIZATION

All travel shall be authorized in accordance with this Policy regardless of the sources of funding (including Reimbursements by third parties). The traveler shall submit a completed Travel Authorization Form (TA) to the appropriate Approving Authority as follows:

5.2.1 In-State Travel

Prior written or electronic authorization by the traveler’s Approving Authority for all In-State Travel may be required, at the discretion of the Approving Authority. If prior approval is required by the Approving Authority, the Traveler is encouraged to use a TA to document the prior approval. Documentation of the prior approval does not need to be submitted to the Controller’s Office.

5.2.2 Out-of-State Travel

Prior written or electronic authorization by the traveler’s Approving Authority shall be required for all Out-of-State Travel. If the appropriate prior approval is not obtained, the traveler may not be reimbursed for the travel. The traveler shall use a TA for all out of state travel.

5.2.3 International Travel

Prior written or electronic authorization shall be required for all International Travel as follows:

i. Appropriate Approving Authority for all Employees and Students;

ii. Sponsored Program Travel – Office of Research Administration; and

iii. Office of International Programs for all Students.

If the appropriate prior approval is not obtained, the traveler may not be reimbursed for the travel. A traveler shall use a TA for all international travel.

5.2.4 Travel at No Cost to CSM

A TA is required to be completed and submitted to the Approving Authority and to the Controller’s Office for all travel on Official School Business for which there is no cost to the School. Prior written or electronic authorization is required for any such travel. The Controller’s Office will close a TA for travel at no cost to the School 60 days after the completed travel as indicated on the TA. A TE is not required to be completed as it is expected that there are no costs to reimburse to the traveler.
traveler incurs unexpected costs, a TE shall be prepared, approved by the appropriate Approving Authority and submitted to the Controller’s Office within 60 days of the travel. A traveler shall not be reimbursed for any costs associated with the travel if the TE is not submitted within 60 days of the completion of the travel indicated on the TA.

5.2.5 Preferred Travel Agency

If travel for Official School Business is to be booked through a travel agency, one of the School’s preferred travel agencies shall be used unless otherwise approved by the Controller. The list of preferred School travel agencies can be found on the Controller’s website. The School may not reimburse travel costs that exceed the cost of substantially similar travel available from the preferred travel agencies.

5.3 CASH ADVANCE

Under certain circumstances, employee travelers may need and receive cash advances to support expenses associated with official School business travel. An employee may receive a cash advance for the following:

- Individual Employee travel
- Group travel
- Extended Stay in a Remote Location travel

5.3.1 Amount of Advance

The amount of the cash advance for an individual Employee travel shall be computed using the applicable per diem rates and other allowable estimated out of pocket amounts. Under no circumstance shall a Cash Advance for individual Employee travel exceed the $1,500 statutory limit per traveler per trip. See C.R.S. §24-30-202(20.1).

The amount of a cash advance for group travel is limited to $1,500 times the number of travelers and the advance shall only be given to an employee who is going on the trip. An employee receiving a group advance has the same responsibilities as if that advance had been received for individual business travel.

The cash advance amount for Extended Stay in a Remote Location travel shall be approved by the Controller’s Office based on a budget documenting the need for remote stay funds and the anticipated expenses prepared and submitted by the traveler to the Controller’s Office. Requests for a cash advance from the Remote Stay Fund shall be made at least 10 business days prior to the trip begin date. If approved, the Controller’s Office will issue a check payable to the Employee no earlier than five (5) business days prior to the trip begin date. The Employee will be required to pick the check up from the Controller’s Office.

5.3.2 Approval

Cash Advances requested from CSM require prior authorization on a Travel Authorization Form (TA) from the appropriate Approving Authority.

5.3.3 Settlement of Advance

Upon completion of travel, a traveler shall settle his or her Cash Advance by following the requirements for timing, content, and receipts set forth in §5.7 of this Policy. The traveler shall reimburse CSM at the time the completed and approved TE is submitted to the Controller’s Office to
the extent that the amount of a Cash Advance received by the traveler pursuant to this section exceeds the actual expenditures for reimbursable items in §5.4 of this Policy.

5.4 ALLOWABLE EXPENSES WHILE TRAVELING AWAY FROM HOME

A traveler Traveling Away from Home shall be reimbursed for the items set forth in this section, if all other requirements of §5.1 of this Policy are met.

5.4.1 Lodging

The traveler shall submit receipts for reasonable lodging as documentation of the expense and shall be reimbursed for the actual cost of reasonable lodging. To assist in determining what constitutes reasonable lodging, the traveler shall use the following guidelines:

i. The State Travel Management Program provides negotiated hotel rates, primarily in-state with some out-of-state and international listings. Travelers should use these rates as an initial benchmark.
   a. Negotiated hotel rates

ii. If a state-negotiated hotel is unavailable, travelers should use the federal lodging per diems for that location as an initial benchmark.
   a. Domestic rates
   b. International rates

iii. An additional benchmark is to use Travelocity or another web-based search engine to estimate the average price of accommodations in the area.

iv. Travelers attending conventions (conferences) may need to pay convention rates to receive all convention benefits. Typically, the rates negotiated by conference sponsors are acceptable.

The need for accommodations costing materially more than those found using the above guidelines should be explained when requesting Reimbursement or on the direct payment procurement method.

When a double hotel room is occupied by the business traveler and spouse (or others) whose attendance does not constitute a business purpose, the school will pay the single room rate. The single vs. double room rate must be provided by the traveler on the TE Report. If the single room rate is not available or provided, the amount reimbursed will be 85% of the double rate. In all cases, only reasonable and necessary accommodations will be reimbursed.

5.4.2 Meals and Incidental Expenses

Under regulations issued by the Internal Revenue Service, travelers are required to use the method chosen by CSM for Reimbursement of meals and incidental expenses (M&IE). CSM has chosen to use the standard allowance method for M&IE, rather than the actual cost method. Under the standard allowance method, a traveler shall claim the authorized meal per diem rate for each meal the traveler would normally have eaten while Traveling Away from Home. If a meal is included in a conference fee or is provided with the cost of Lodging, a traveler shall not request Reimbursement for the standard meal allowance, unless the meal is determined to be inadequate by the traveler. Under no circumstances shall a traveler request Reimbursement for more than the applicable per diem rate. Receipts for meals are not required. The State of Colorado’s M&IE rate shall be used to determine all per diem Reimbursements based on the location of the traveler for each day of the trip. These rates can be found at: http://www.colorado.gov/dpa/dfp/sco/FiscalRules/FR_Travel.htm

5.4.3 Meals for Days Traveler Departs and Returns
Except for the first and last day of travel, a traveler may claim up to the applicable M&IE for each full day of travel. Expenses on the first day of travel may be claimed based on 75% of the destination city’s per diem rate and on the last day based on 75% of the departing city’s per diem rate. Under no circumstance shall a traveler request Reimbursement for more than the applicable per diem rate.

5.4.4 Transportation

A traveler shall be reimbursed only for the dollar equivalent of the most cost beneficial method of transportation available to the traveler that satisfactorily accomplishes Official School Business. Reimbursement shall be limited to the actual cost of commercial transportation. A traveler requesting Reimbursement shall submit receipts In accordance with §5.7.4 of this Policy.

5.4.5 Rental Vehicles

The School will reimburse a traveler for the cost of renting a compact or standard size automobile unless that size car is not available at the traveler’s destination at the time of rental. Prior approval from the appropriate Approving Authority is required if a traveler has a business reason for renting a other than a compact or standard size vehicle, including 4-wheel drive vehicles. To mitigate risk to CSM, travelers shall rent vehicles with a CSM travel card. Receipts from the rental car agency shall be required for Reimbursement in accordance with §5.7.4 of this Policy. CSM’S policies and procedures may specify that a selected vehicle rental vendor must be used when reasonable and available. Additional insurance for international car rentals will be reimbursed. Travelers are encouraged to use the car rental companies found on the Controller’s Office web site as the State has negotiated preferred rates with these car rental companies.

5.4.6 Mileage for Personal Vehicles

A traveler shall be allowed mileage Reimbursement for each mile actually and necessarily traveled on CSM Business using the traveler’s personal vehicle at a rate approved in C.R.S. §24-9-104(2) at the time of travel. All requests for mileage Reimbursement shall be submitted on a TE. A traveler normally shall be reimbursed at the mileage rate designated for two-wheel drive vehicles. A traveler shall be reimbursed at the mileage rate designated for four-wheel drive vehicles only when the use of four-wheel drive is necessary because of road, terrain, or adverse weather conditions and requires prior written or electronic approval by the Approving Authority. Mileage and other commuting expenses incurred while traveling between a traveler’s residence and Traveler’s Regular Work Location are non-reimbursable personal expenses. Mileage to/from the traveler’s destination(s) shall be documented using an Internet mapping tool (e.g. MapQuest) and included with the TE.

5.4.6.1 Actual Miles for Travel to and from the Airport

For travel to and from the airport, the traveler shall be reimbursed for the actual miles traveled between the traveler’s residence and the airport without the requirement to deduct the traveler’s base commuting miles.

5.4.7 Airfare

All travel shall be completed using the most economical means available which will satisfactorily accomplish Official School Business. The traveler may request Reimbursement for upgrades (including extended leg-room upgrades) from economy class travel only for international travel and only in cases where the traveler has a documented medical reason for the upgrade. The traveler shall provide appropriate documentation of the medical condition and obtain prior written or electronic approval from the Approving Authority and appropriate Vice President. Upgrades (including extended
leg-room upgrades) from economy class travel for domestic travel are at the traveler’s personal expense.

Travelers may use an approved travel agency to book airline tickets. All airfare purchased using an approved travel agency shall be charged to the School’s ghost travel card. Airline change fees are reimbursable to the traveler if travel plans are changed for Official School Business reasons. Airline change fees are not reimbursable to the traveler if travel plans are changed for personal reasons.

A traveler may be reimbursed for reasonable baggage fees charged if not included as part of the airfare. For international travel, compliance with the Fly America Act found at 41 CFR Parts 301-10.131 through 301-10.143 is required. Charges for excess baggage are reimbursable only when the traveler is transporting School materials or when the extended period of travel necessitates excess personal baggage. In the latter case, the traveler must obtain advance authorization from the Approving Authority or fund manager where the expense will be charged for a maximum amount to be reimbursed by the School. A copy of this authorization must be submitted with the TE Report. A traveler requesting reimbursement shall submit receipts in accordance with §5.7.4 of this Policy.

5.4.8 Tips

A traveler cannot claim tips as a separate item on a TE. Tips paid to porters, baggage carriers, bellhops, hotel maids, and skycaps for airport check-in are included as part of the per diem and incidental expenses rates and are therefore non-reimbursable. Tips paid in conjunction with meals are included in the per diem rates and are therefore non-reimbursable. Tips paid in connection with taxi and shuttle expenses should be included as part of these expenses and shall not exceed 20% of the associated fare.

5.4.9 Other Allowable Expenses While Traveling Away from Home

In addition to lodging, meals, and transportation, the actual expenses identified below, incurred as a part of approved travel, are allowable if necessary to complete Official School Business. See Section 5.7 for receipt requirements.

- Commercial transportation such as taxi and shuttle expenses, including tips;
- Camping site fees paid for a commercial camp ground or a state or national park;
- Parking fees;
- Telephone, fax, internet access, and other similar miscellaneous business expenses incurred for Official School Business;
- Toll road charges;
- Laundry/Cleaning services – if the traveler is on School business for 6 days or more;
- Fees to purchase traveler’s checks or transaction charges for the use of the School’s Travel Card; and
- Foreign currency exchange rate fees. Foreign currency transactions shall be reimbursed at the $U.S. equivalent as of the date of the currency conversion. Support for the conversion amount shall be included with the approved TE.
- Fees to obtain a visa/immunizations if required as part of travel for Official School Business

5.4.10 Non-Business Days

Weekends, holidays, and other necessary standby days may be counted as business days only if they fall between business travel days. If they are at the end of a traveler’s business activity and the traveler remains at the business destination for non-business reasons, Reimbursement is not allowed for the additional days.
5.4.11 Trips Over 30 Days

When estimated travel is for more than 30 consecutive days in one location, or when the circumstances of the travel are such that the traveler can be reasonably expected to incur expenses comparable to those arising from the use of establishments catering to the long term visitor or from the use of noncommercial facilities (i.e. houses), the traveler may choose to be reimbursed either for the actual and reasonable cost of lodging and meals or a basic per diem allowance of 55% of the standard rate for the appropriate geographic area. The rate begins with the first day of travel.

5.4.12 Summary of Allowable Travel Expenses

<table>
<thead>
<tr>
<th>Type of Travel Expense</th>
<th>Rate</th>
<th>Receipt Required?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lodging</td>
<td>Actual</td>
<td>Yes</td>
</tr>
<tr>
<td>Meals and Incidental Expenses (M&amp;IE)</td>
<td>Per Diem Rate</td>
<td>No</td>
</tr>
<tr>
<td>Transportation (other than airfare)</td>
<td>Actual</td>
<td>Yes, if $40 or higher</td>
</tr>
<tr>
<td>Rental Vehicle</td>
<td>Actual</td>
<td>Yes</td>
</tr>
<tr>
<td>Mileage for Personal Vehicles</td>
<td>Set by State statute</td>
<td>No</td>
</tr>
<tr>
<td>Airfare</td>
<td>Actual</td>
<td>Yes</td>
</tr>
<tr>
<td>Other Allowable Expenses</td>
<td>Actual</td>
<td>Yes, if $40 or higher</td>
</tr>
<tr>
<td>Tips Included as part of M&amp;El</td>
<td>Not Allowed</td>
<td>N/A</td>
</tr>
<tr>
<td>Tips Not Included as part of M&amp;El</td>
<td>Actual</td>
<td>Yes, if $40 or higher</td>
</tr>
</tbody>
</table>

5.5 UNALLOWABLE TRAVEL EXPENSES WHILE TRAVELING AWAY FROM HOME

A traveler shall not be reimbursed for the following expenses while Traveling Away from Home:

- Alcoholic beverages;
- *Entertainment* expenses;
- Personal expenses incurred during travel that are primarily for the benefit of the traveler and not directly related to *Official School Business*;
- Political activities;
- Traffic fines and parking tickets;
- Late fees for CSM travel cards; and
- Certain insurance coverage - The cost of additional or other types of coverage shall not be reimbursed, including without limitation, expenses paid by a traveler for the following:
  - Collision damage waiver or loss damage waiver for rental vehicles, unless it is for international travel.
  - Supplemental liability insurance on rental vehicles;
  - Trip cancellation insurance;
  - Additional liability insurance for rental vehicles;
  - Personal accident insurance on rental vehicles; and
  - Supplemental life insurance for airline or common carrier travel.
5.6 CERTIFICATION AND APPROVAL

5.6.1 Certification

Each Travel Expense (TE) form shall contain the following certification signed manually or by electronic signature by the traveler except as otherwise provided in this Policy:

“I certify that the statements in the this report are true and correct in all respects; that payment of the amounts claimed herein has not and will not be reimbursed to me from any other source; that travel performed for which a Cash Advance or Reimbursement is claimed was performed by me while on Official School Business and that no claims are included for expenses of a personal or political nature or for any other expenses not authorized by these Policies; and that I actually incurred or paid the operating expenses of the motor vehicle for which Reimbursement is claimed on a mileage basis. Further, I hereby authorize the School to deduct from my pay any amount paid to me in excess of my authorized expenses as provided by this Policy.”

5.6.2 Approval

If approved, the Approving Authority shall approve the TA or TE via a manual signature or by electronic signature.

5.7 REIMBURSEMENT REQUIREMENTS

5.7.1 Approved TA and TE Forms

TA and TE shall be completed, approved, and submitted to the Controller’s Office only on forms approved by the Controller’s Office. TA and TE approved forms may be obtained from the Controller’s Office website. All applicable fields on the TA and TE shall be completed. Those fields marked with an (*) are required fields. If a TA and TE is not properly prepared, approved, and submitted to the Controller’s Office as required by these Policies, the traveler may not be reimbursed for the associated travel.

5.7.2 Timing

A TE should be completed, approved and submitted to the Controller's Office within 20 working days of completion of travel to allow for proper and timely recording of expenses, unless otherwise provided under this Policy. In order for a travel Reimbursement not to be treated as taxable income to an Employee, a TE associated with a TA shall be submitted within 60 days of the completion date of the travel. A TE not associated with a TA shall be submitted within 120 days of the completion date of travel. If a TE is not submitted within the appropriate 60 or 120 day time frame, the total amount of the reported Reimbursement shall be included as additional income to the Employee and will be included in the Employee's W-2 for that calendar year per IRS regulations. A TE, for otherwise allowable reimbursable expenses, not completed, approved, and submitted to the Controller’s Office within 6 months of the completion date of the travel will not be processed and the traveler will not be reimbursed.

5.7.3 Unsubstantiated Reimbursements

In accordance with the regulations of the Internal Revenue Service, the School will report as additional W-2 income, to an Employee, the Reimbursement of any expense Reimbursement approved by the Approving Authority which is not substantiated by an appropriate receipt or adequate explanation. If a traveler has inadvertently lost a receipt, the traveler shall complete and submit a lost
receipt form. The Approving Authority shall determine whether or not the employee will be reimbursed for the expenses associated with the lost receipt.

5.7.4 Receipts

Receipts are required for lodging, rental vehicles, and airfare, regardless of the amount. Such receipts shall be detailed vendor receipts and shall include the date of service. Receipts are not required for Meals and Incidental Expenses or any expenses for which the individual charge is less than $40. Non-specific charge card transaction slips or credit card statements may be accepted as proper documentation except for lodging, rental vehicles, and airfare charges.

The Approving Authority may waive the requirement for a receipt in extenuating circumstances upon receipt of a written certification from the traveler certifying that the cost was incurred and providing the reason why a receipt was not obtained or available. The Approving Authority may establish alternative documentation requirements for travel to certain locations, e.g. Foreign Travel, or for group travel, where compliance with the receipt requirement is determined to be impractical by the Approving Authority, with concurrence from the Controller.

5.8 PAYMENT OF TRAVEL EXPENSES

5.8.1 Electronic Reimbursement

At the Controller’s Office discretion, a traveler shall be reimbursed for expenses claimed on the TE or a Travel Advance requested on the TA form by direct deposit using Electronic Funds Transfer (EFT) or via a School check.

5.8.2 School Travel Cards

The School may utilize any travel card program that meets their business needs, and create or adopt rules and procedures related to the required campus use of that card program.

5.9 SPECIAL SITUATIONS

5.9.1 Travel within a Single Day

If travel is local (50 miles or less from the CSM campus) and is completed wholly within a single day, Reimbursement for meals and lodging shall not be allowed as such Reimbursements are required to be reported as taxable income to the traveler per IRS regulations. If, however, travel is more than 50 miles from the CSM campus, the traveler shall be reimbursed 75% of the M&EI per diem rate of the destination city.

5.9.2 Travel to a Temporary Work Location

A traveler may be reimbursed for transportation expenses to a Temporary Work Location and such Reimbursement will be treated as an IRS qualified reimbursable nontaxable travel expense, regardless of distance, only if the temporary work location is in the same trade or business as the traveler’s regular work location.

5.9.2.1 Travel to a Temporary Work Location, Including Conferences, Meetings, Training Sessions, and Other Business-related Activities – When a personal vehicle is the usual method of commuting

Traveler shall be reimbursed to the extent the number of miles between the Traveler’s Residence and the Temporary Work Location exceeds the normal commuting miles from the Traveler’s
Residence to the Traveler’s Regular Work Location. The traveler may be able to deduct on the traveler’s income tax return the difference between the total amount allowed by the IRS and the amount reimbursed by the School for mileage to a temporary work location. The traveler should consult an independent tax advisor on the deductibility of unreimbursed mileage Reimbursement.

5.9.2.1 Travel to a Temporary Work Location, Including Conferences, Meetings, Training Sessions and Other Business-related Activities – When a personal vehicle is NOT the usual method of commuting

Traveler shall be reimbursed for the number of miles between the Traveler’s Residence and the Temporary Work Location. The Approving Authority shall obtain sufficient information to know if the traveler’s personal vehicle is the usual method of commuting.

5.9.3 Allowances for CSM Job Applicants

To obtain the best-qualified individual for a given School employment position, it may be necessary to pay interview related travel expenses for job applicants. At the discretion of the Approving Authority, such travel expenses may be reimbursed to the applicant using rates established in this Policy.

5.9.4 Non-employee Travel

Non-employee travel, whether or not the traveler is receiving Reimbursement from the School for associated travel costs, is subject to Chapter 5 of this Financial Policy, except that the Approving Authority may certify and sign the TE, as required by 5.6.1 of this Policy, on behalf of the Non-employee traveler if the Non-employee traveler is not available to sign the TE. Organizational Units are encouraged to pay travel costs for Non-employees, such as airfares and hotels, directly to minimize the out of pocket costs to the traveler and ensure that the requirements of 5.1.1 of this Policy are met. All Non-employees will be required to have a completed and signed W-9 on file with the Controller’s Office in order to be reimbursed by the School for any travel costs.

All undergraduate student travelers who have any portion of their trip sponsored by or reimbursed by CSM must complete and submit to the Controller’s Office a travel waiver form prior to departure. The travel waiver form can be found on the Controller’s Office web site. This waiver holds the School harmless from liability for any damage caused by the traveler and limits the Schools liability should something happen to the traveler. Graduate students who have any portion of their trip sponsored by or reimbursed by CSM and who do not have an employment contract with the School shall complete and submit to the Controller’s Office a travel waiver form prior to departure. Student recruits are not required to execute a waiver.

5.9.5 Allowances for Travel Not Solely for Official School Business

In some instances, the purpose of travel may be partially for Official School Business and partially for personal reasons. In these instances, the traveler shall make a reasonable allocation of the expenses between Official School Business and personal or political purposes and the TEs for such expenses shall contain such allocation and sufficient documentation to explain the basis for the allocation. If a CSM Employee obtains lower rates for lodging or transportation because travel is extended for personal reasons, these lower rates shall also apply to the Official School Business portion of the travel.

5.9.6 Allowances for Travel Paid Directly by a Non-CSM Entity
CSM officials and Employees may be invited to attend a committee meeting, seminar, or conference concerning Official School Business where their travel expenses are paid directly or reimbursed by the sponsor of the meeting, seminar, or conference. In such instances the School official or Employee may accept the invitation if the travel has been approved by the appropriate Approving Authority and does not violate other State statutes or constitutional provisions.

5.9.7 Allowances for Travel with Spouse, Relatives, or Friends

Reimbursement for Employee’s spouse, domestic partner, or other traveling companion shall not be allowed except as specifically authorized by procedures approved by the Senior Vice President of Finance and Administration or the President. Such procedures shall not permit Reimbursement of spousal or companion travel that was not authorized by the Approving Authority in advance of commencement of travel. In accordance with IRS regulations, Reimbursement for spousal travel shall be reported as additional W-2 income to the Employee.

5.9.8 Allowances for Travelers Furnishing Their Own Lodging and Meals

Reimbursement for travelers who provide their own lodging and meals may be allowed. The Approving Authority may negotiate a special per diem rate for that period of travel. The rate negotiated shall be on a case-by-case basis and under no circumstance shall the negotiated rate exceed the normal per diem rates established herein.

5.9.9 Allowances for Travel by the Board of Trustees

Members of the Board of Trustees may be reimbursed for actual and necessary travel expenses incurred in the performance of their official Trustee duties, to the extent that such expenses are reasonable under the circumstances. The President’s Office shall be responsible for such Reimbursements.

AUTHORITIES:

C.R.S. §24-9-104(2) – Mileage Allowances
IRS Publication 463 (2008) – Travel, Entertainment, Gift, and Car Expenses
CHAPTER 6: CASH

6.1 OVERVIEW
Cash is defined as consisting of:

i. Paper currency;
ii. Checks;
iii. Coins;
iv. Money orders; and
v. Travelers Checks.

Campus departments should only accept and deposit payments for CSM Official School Business.

6.2 CASH SECURITY
Cash should be secured at all times. This would include the use of cash registers, safes, locked file cabinets/drawers with key control, and locked boxes. Access to these devices must be restricted and proper internal controls must be established. For example, restrict authority to get into cash registers, limit the number of people who have access to the combination to the safe, and limit the number of keys and their availability to locked cabinets, drawers, or boxes.

6.3 FUNDS TO BE DEPOSITED
Funds received must be deposited with the Cashier within two business days of receipt. Daily receipts must be deposited intact and must not be used to pay expenses or to create unauthorized Petty Cash or Change Funds. Do not substitute checks for cash.

All deposits of Colorado School of Mines cash must be made at the Cashier Office using CASHNet. Maintenance of outside bank accounts is strictly prohibited.

6.3.1 Supporting Documentation
Organizational units are required to retain all supporting documents in the department. These documents will include pre-numbered receipts, check logs, cash register tapes, etc. Attach these with one copy of the CASHNet Deposit Form and file the records by deposit date. Attach receipt from Cashier to supporting documents. The Controller’s Office will maintain the numerical filing of the posting copies of these documents.

Departmental deposit records are subject to review by the Controller’s Office, CSM internal auditors, and external auditors.

6.3.2 Deposit of Non-School Funds
If the department is involved in a non-school activity that generates funds, such as soliciting contributions for a retirement function, instruct individuals or entities making payments that the checks should not be made payable to the Colorado School of Mines. Colorado School of Mines cannot endorse these over to an individual or an organization, or deposit them into a CSM bank account and withdraw the funds. When this situation occurs, the department must return the check to the preparer with an explanation and a request to re-issue the check with a corrected payee.
6.4 AUTHORIZATION AND USE OF CHANGE FUND AND PETTY CASH FUNDS

6.4.1 Creation, Approval, and Cancelation

May be established based upon written approval by the Controller’s Office. The request for a Change Fund or Petty Cash Fund shall state the purpose of the fund and contain justification for the amount requested. All Change Funds and all Petty Cash Funds shall be recorded on the School’s financial system.

Violation of these policies and procedures will be cause for discontinuance of the Change Fund or Petty Cash Fund for that department.

6.4.2 Custodians

Only Employees of the School who hold a 100% appointment are authorized to be Change Fund or Petty Cash Fund Custodians. The request must be approved by the head of the fund custodian’s department. If a change/addition in custodian is required, the new custodian must complete a New/Additional Custodian Form with authorized departmental head signature and submit the original form to the Controller’s Office for approval.

In the absence of the Petty Cash Custodian because of illness, vacation, etc., it is permissible for a back-up Petty Cash Custodian to make the Reimbursement request and receive the Reimbursement check. The voucher must very clearly:

i. Indicate that the payment is a Petty Cash Reimbursement for “name of official custodian” and
ii. Include the reason the warrant is not made out to that custodian.

Reimbursements to a back-up custodian must be considered as “an exception rather than the rule”. Contact the Bursar’s Office if the need for a back-up custodian arises.

6.4.3 Appropriate Use of Change Funds

Change Funds shall only be used for making change when cash receipts are accepted from the public, such as for fees and fines. The amount of a Change Fund is based on the documented need of the department and shall be approved by the Controller’s Office. No expenditures of any kind shall be authorized from a Change Fund. Change Funds may either be permanently held at the department or they may be issued on a temporary basis for a specific event or activity.

A Change Fund must not be used for the following:

i. To cash personal checks;
ii. To make loans to faculty, staff, Students, or others -I.O.U.s are not permitted;
iii. To make purchases.

At all times, the Change Fund must consist of cash which equals the amount of the original advance issued to the Change Fund custodian. Any shortages will be charged to the specified Departmental FOAP when the Change Fund is returned to the Cashier.
6.4.4 Appropriate use of Petty Cash Funds

*Petty Cash Funds* will generally be limited to no more than $200.00 per department, but in no case shall exceed $2,000.00. The actual authorized amount is dictated by business needs of the department requesting the *Petty Cash Fund*.

*Petty Cash Funds* shall only be used for payment of incidental expenses, not to exceed $50, for expenses such as postage, copy charges, or expenses not otherwise appropriately purchased through the use of the School’s procurement card or other approved purchasing method. *Petty Cash* expenditures shall be consistent with all applicable statutes, rules, regulations, and these Financial Policies. The use of *Petty Cash* to make purchases is an exception to the formal procurement methods. The Procurement Card is the preferred method for making small dollar purchases.

*Petty Cash Funds* must not be used for any of the following items:

i. Alcohol;

ii. Payroll expenses;

iii. Payments to other School departments -- this must be done by an Internal Sales and Services Voucher (ISSV);

iv. Payment of travel expenses (including mileage Reimbursements) -- this can only be done with an approved *Travel Advance* and/or *Travel Expense Report*;

v. Cashing personal checks;

vi. Making loans to *Employees*, *Students* or others -- no I.O.U.s;

vii. Making purchases and sales -- i.e., the purchase and sale of stamps to departmental personnel;

viii. Flower funds or coffee club funds.

6.5 PETTY CASH AND CHANGE FUND PROCEDURES

*Organizational Units* shall comply with procedures developed by the Controller’s Office regarding proper cash handling procedures.

6.6 THEFT OF CHANGE FUND

If a theft occurs, the custodian must notify the Controller’s Office and Colorado School of Mines Public Safety as soon as the theft is discovered. The custodian must then complete a Payment Voucher, drawn against the departmental FOAP, using account 5549, for the amount of the theft. The Payment Voucher, along with an explanation, is then submitted to the Controller’s Office. A check will be issued to reimburse the fund. If the theft or loss is determined to be due to negligence on the part of the custodian, the department may choose to require the custodian to replace the funds.

6.7 CREDIT CARDS

The preferred method of accepting payment by credit card is online via CASHNet. The Controller’s Office maintains the right to approve other methods of accepting credit cards. Regardless of the method used, each *Organization Unit* is responsible for maintaining internal controls that protect sensitive cardholder information. In accepting credit cards, departments acknowledge they are responsible to ensure all employees receive proper procedural training to maintain data security. Any receipts, reports, etc. shall show only the last four digits of credit card numbers when archived. At no time shall any CSM department electronically retain cardholder data.
CHAPTER 7: DEFICIT SPENDING

Policy 7-1 DEFICIT SPENDING

Organizational Unit Managers shall manage all activities and expenditures under their control, regardless of the source of funding, so as to not generate a Deficit in the Index. Organizational Unit Managers must eliminate Deficits in a timely manner. All Deficits related to non sponsored projects must be eliminated by the end of the fiscal year.

A Deficit that exists in Sponsored Projects that is not resolved within 90 days may be automatically transferred to a Principal Investigator’s professional or research development account, departmental or center unrestricted source of funds, including gift funds or a department’s general fund budget.
CHAPTER 8: REPORTING

Policy 8-1 FINANCIAL STATEMENTS

Annual financial statements prepared by the School shall be submitted to the Finance and Audit Committee. Unless otherwise provided by this Financial Policy, the School's financial statements shall be prepared by the Controller in accordance with generally accepted accounting principles and shall reflect the financial activities of the School.

The School or its contractor may provide draft financial statements to the Office of the State Auditor to facilitate a timely and efficient audit. Draft financial statements and accountant work papers are not public records.

The State financial system generates a balance sheet and an income statement for the School utilizing the COFRS system. These system generated statements are considered acceptable financial statements for any purposes of the State Controller. The School shall continue to provide information to the State Controller, including exhibit information required in the fiscal year-end closing instructions issued by the State Controller and any post-closing adjustments, as necessary for the State Controller to meet the obligations set forth in C.R.S. 24-30-202(11), 24-17-102, and 24-20-204, as described in C.R.S. 24-30-202(13).

Financial statements prepared by the School shall be reconciled to the State financial system. A copy of this reconciliation shall be provided to the State Controller at least annually.

Policy 8-2 PERIODIC FINANCIAL REPORTING

The Controller shall prepare periodic financial reports. The periodic financial reports shall be available for use by management, the Finance and Audit Committee, and others for planning purposes and decision making.

- The School's financial system shall be the system used to record the School's financial information and the system from which standard reports shall be prepared.
- The CFO and Controller shall determine what is reasonable and necessary to be included in the financial reports, the funds which are to be included, and the date each report is due.

Each reporting period shall be regarded as an integral part of the fiscal year. Revenues shall be allocated to reporting periods in accordance with generally accepted accounting principles. Expenditures such as salaries, operating expenditures and accruals of expenditures shall be allocated to interim periods in which they are incurred or, where appropriate, allocated among periods on the basis of benefits received or time expended. Arbitrary assignment to a period shall not be allowed.

Policy 8-3 COST ALLOCATION PLANS

The School shall prepare a documented Indirect Cost Allocation or Indirect Cost rate proposal/plan that assigns Indirect Costs to their programs, activities, and services relative to their benefits received from the activities whose costs are being allocated or on another equitable relationship. The allocated costs shall be used as the basis of recovering indirect costs from the federal government, determining fees for program services and activities, and assessing the cost effectiveness of a program or activity.

The School shall use a cost allocation methodology that assures that the allocations made through the methodology represent a service/benefit or other equitable relationship between the costs of the services provided and the value of the benefits received by users of the services.
The School shall periodically review its cost allocation methodology to ensure that the methodology represents the best allocation attainable. Allocations should be reconciled to actual expenditures to ensure all costs have been captured and allocated.

When the School receives federal funds, it shall prepare a federal indirect cost rate proposal/plan in accordance with OMB A-21 and sign an indirect cost rate or allocation methodology agreement with the federal government. The School’s federal indirect cost rate proposal/plan shall include all costs allocated to the School in the federal indirect cost allocation plan and other approved cost allocation plans.

Grants, contracts, and other agreements that do not allow for the recovery of the full cost incurred under the agreement should be closely evaluated to determine if their acceptance is cost effective and in the best interest of the School.

Indirect Cost recoveries shall be recorded when earned in separately identifiable accounts as determined by the Controller. Revenues from Indirect Cost recoveries shall not be deferred at the end of the fiscal year.

AUTHORITIES

C.R.S. §24-30-201
C.R.S. §24-75-102
Federal OMB Circular A-21: "Cost Principles for Educational Institutions"
CHAPTER 9: PAYROLL

Policy 9-1 PAYROLL SYSTEMS

The School shall have the option to use either campus based payroll systems, the State of Colorado payroll system, or contract these services out as deemed necessary.

Policy 9-2 DIRECT DEPOSIT

All School Employees shall have their payroll direct-deposited to their bank via ACH unless an exception is approved by the Controller.

Policy 9-3 OVERPAYMENTS TO EMPLOYEES

Through error, an Employee may be paid more than is due. When the error is detected, provisions shall be made for the repayment of the overpayment.

If the overpayment is nominal, it shall all be deducted from the Employee's next paycheck. However, in some cases the overpayment may be significant and require a repayment schedule extending over a period of time. The Controller shall establish a repayment schedule based on the particular facts involved in each case.

An Employee's maximum liability for repayment, should an error go undetected for longer than a two year period, shall be limited to the total amount of the overpayment for the first two years in which the Employee was overpaid.

It is the Employee’s responsibility to review their payroll notification each month and contact the Payroll Manager in the Controller’s Office if discrepancies, either overpayment or underpayment, exist.
APPENDIX A - DEFINITIONS

As used in these CSM Financial Policies, the following definitions shall apply, unless the applicable Policy expressly states otherwise.

**Advance Payments:** A payment made for goods or services prior to the receipt thereof.

**After-the-Fact Purchase:** Occurs when liabilities are incurred or payments are made on the School’s behalf without prior approval via a School purchase order or contract when a purchase order or contract is required.

**Approving Authority:** The person within the Organizational Unit that is responsible for ensuring that financial transactions recorded against an Index are appropriate.

**Board:** The Board of Trustees of the Colorado School of Mines.

**Capital Construction:** Shall have the meaning described in C.R.S. §24-75-301(1), as now or hereafter amended.

**Capital Construction Fund:** A fund created for the purpose of constructing, purchasing, building, and/or maintaining land and buildings for use by the School.

**Cash Advance:** An amount of money approved by the Organizational Unit and the Controller’s Office that is given to an employee to cover incidental out-of-pocket expenses related to Official School Business while Traveling Away from Home.

**Change Fund:** An amount of money advanced to the departments that accept cash from customers and, therefore, must have cash available to make change.

**Change Fund Custodian:** The individual designated by the appropriate department and approved by the controller as responsible for safeguarding and disbursing from a change fund.

**Commitment Voucher:** A purchase order, a contract, an approved travel authorization, or any other document appropriate to the fiscal transaction as prescribed by School policies and procedures, which provides support that an obligation of the School is being charged to the appropriate account and that purchasing requirements have been satisfied. Additional examples of commitment vouchers include, but are not limited to: grant contracts, license agreements, parking license agreements, and any other contract involving the payment of School funds.

**Controlled Maintenance Project:** A capital project funded for the purpose of performing routine maintenance of campus facilities.

**Course:** A seminar, an extended learning event, or continuing education course offered by CSM to non CSM Students, faculty, or staff as a part of the core business function of the School.

**Deficit:** Actual expenses plus encumbrances that exceeds the total approved budget or available net assets, as recorded or reflected in the Finance System, in the Index for which the activity is recorded.

**Donation:** Irrevocable cash and non-cash contributions to the School, departments, or student organizations for which the donor receives nothing in exchange.

**Employee:** An individual who holds a School faculty, administrative faculty, classified, or student employment appointment, whether full-time, part-time, temporary, seasonal, or hourly.

**Entertainment Expenses:** Expenditures for social functions, entertainment events, food, beverages, tickets for shows or sporting events and related supplies for events, which involve one or more School
employees and or one or more guests and the purpose of the expenditure is to represent the School or provide reciprocity of hospitality or build business relationships in pursuit of School goals.

**Equipment:** Any tangible personal property that has a useful life greater than 1 year and a cost of more than $5,000, which is not a permanent part of a building and does not lose its identity through incorporation into a more complex unit.

**Extended Stay in Remote Location:** Official School Business travel where the traveler is Traveling Away from Home in excess of 14 days and in remote locations where access to banking institutions and/or automatic teller machines is not readily available.

**Fundraising Events:** An event at which a required monetary payment to attend or participate includes both a gift component (charitable contribution) and a non-gift component (goods and/or services are provided or available to the attendees, sponsors, or donors). The event will most often be completed in a single day; however, the event may consist of a multi-day, singularly identifiable event, such as a trip or cultural celebration weekend. This type of event differs from a conference in that some portion of the attendees' payment is intended to be tax deductible. Examples of such events include the collection of gifts or money through sale or auction of merchandise or services, collection of registration or sponsor fees with a promise of a tax deduction, imposition of admission charges or registration fees with a promise of a tax deduction, and/or membership fees.

**Gift:** Irrevocable cash and non-cash contributions to departments or student organizations for which the donor receives nothing in exchange. Donors may place certain restrictions on the use of the funds with which the School must comply.

**Incidental Expenses:** Fees and tips given to porters, baggage carriers, bellhops, hotel maids, and skycaps for airport check-in, and cost of personal telephone calls. Incidental Expenses do not include expenses for laundry, cleaning and pressing of clothing, and lodging taxes.

**Index:** A unique combination of Fund, Organization, and Program code numbers created by the Controller's Office which is used to record financial transactions.

**Meetings/Conferences:** An auxiliary activity to conduct a formal activity of a number of people, primarily other than employees or associates, for discussion or consultation on a serious and identified topic, where admission is charged to those attending. Unlike the admission fee for a fundraising event, the admission fee for a conference is not intended to be tax-deductible, either in total or in part. Activities include professional meetings and or conferences hosted by the school for associated professional/educational organizations.

**Metropolitan Area:** A region including a city and the densely populated surrounding areas that are socially and economically integrated with it. For purposes of these Policies, a radius of 50 miles from the School is deemed to be the Metropolitan Area.

**Non-employee:** Any person who does not meet the definition for employee.

**Non-remuneration employee:** Any person who is not a current employee of the School but has a zero pay contract authorized and approved by the appropriate VP that is currently on file and covers the dates for which the individual will be working for the School.

**Official Function:** Those meetings, special events, and graduation functions hosted by an Organizational Unit and attended by guests and or other associates or employees held for an Official School Business purpose.

**Official School Business:** Any activity that carries out the School’s mission of instruction, research, and service or that provides support to the School’s instruction, research, and service activities.
Organizational Unit: A subset of School. An Organizational Unit may be a department, center, institute, or any other distinct operational activity with the following characteristics:

- Organizational permanency;
- Programmatic autonomy; and
- An annual operating budget that is fiscally independent.

Within the Finance System, these areas are represented in the chart of accounts as Orgs.

Organizational Unit Manager: School employees assigned responsibility for expending School resources within an Organizational Unit. This may include any of the following: President, Vice President, Department Head, Division Director, Fund Manager, Principal Investigator, or Administrative Assistant: and it shall not include Students.

Perquisite: Any extra benefit, privilege, or allowance that is not ordinary compensation, authorized expense Reimbursement, or approved supplemental pay. “Perquisite” does not include incentive awards, salary increases, fringe benefits established pursuant to C.R.S. §§ 24-50-104(8) and (9), or any other employment benefit authorized by state statute, or resolution of the Board.

Petty Cash Custodian: The individual designated by the appropriate department and approved by the Controller’s Office as responsible for safeguarding, disbursing from, and requesting replenishment of a Petty Cash Fund.

Petty Cash Fund: An amount of money issued to a department to be used on a revolving basis for the payment of small and incidental expenses.

Political Expenses: Expenses incurred in relation to activities that are primarily designed to further the interests of a candidate, political party, or special interest group.

Reimbursement: The act of paying back an Employee who personally paid for Official School Business expenses. Receipts and proof of payment are required as documentation of the purchase.

Remote Stay Fund: An imprest cash fund established by the Controller’s Office to cover Official School Business expenses related to Extended Stays in Remote Locations. Monies from the fund can be used to procure goods and services when normal procurement methods are not viable and are limited to guides, translators, security, transportation, communication (no pre-paid cards), non-traditional lodging, supplies, or similar items as deemed appropriate by the Controller’s Office.

Standing/Regular Meeting: A meeting that takes place more than four times a year or once a quarter.

State Capital Construction Fund: A fund created by statute for the purpose of constructing, purchasing, building, and/or maintaining land and buildings that is wholly or partially funded by the State.

State Capital Construction Project: A construction project funded wholly or in part by funds from the State Capital Construction Fund.

State Controlled Maintenance Project: A capital project funded wholly or in part by funds from the State controlled maintenance fund.

Student: Any person who is registered for coursework at the undergraduate or graduate level at the School.

Temporary Work Location: A location where employment is expected to continue, and does continue, for one year or less.
**Training Function:** A meeting, conference, or other function which is hosted by an Organizational Unit or other associates and held to enhance employee knowledge or to educate customers or employees that are affected by the School’s operations or requirements. Training Functions require a written agenda, study materials and must be led by an identified presenter.

**Travel Advance:** An amount of money approved by the Organizational Unit and the Controller’s Office that is given to an employee to cover incidental out-of-pocket expenses related to Official School Business while Traveling Away from Home.

**Traveling Away from Home:** A traveler is traveling away from home if: a) the traveler’s duties require him or her to be away from the Traveler’s Regular Work Location substantially longer than an ordinary day’s work, and b) the traveler needs to sleep or rest to meet the demands of his or her work while away from home.

**Traveler’s Regular Work Location:** Generally, the primary location where the traveler works including the entire Metropolitan Area surrounding the primary location.

**Vendor Agreement:** Any form of agreement provided by a vendor, including an on-line agreement, containing contractual provisions relating to the goods and/or services to be provided by such vendor.
APPENDIX B – PURCHASE ORDER TERMS AND CONDITIONS

1. Offer/Acceptance. If this purchase order ("PO") refers to vendor’s bid or proposal, this PO is an ACCEPTANCE of vendor’s OFFER TO SELL in accordance with the terms and conditions of the “solicitation” identified in vendor’s bid or proposal. The solicitation includes an RFP, IFB, or any other form of order by buyer. If a bid or proposal is not referenced, this PO is an OFFER TO BUY, subject to vendor’s acceptance, demonstrated by vendor’s performance or written acceptance of this PO. Any COUNTER-OFFER TO SELL automatically CANCELS this PO, unless a change order is issued by buyer accepting a counter-offer. This PO shall supersede and control over any vendor form(s) or part(s) thereof included in or attached to any bid, proposal, offer, acknowledgment, or otherwise, in the event of inconsistencies or contradictions, regardless of any statement to the contrary in such form(s) or parts thereof.

2. Safety Information. All chemicals, equipment and materials proposed and/or used in the performance of this PO shall conform to the requirements of the Occupational Safety and Health Act of 1970. Vendor shall furnish all Material Safety Data Sheets (MSDS) for any regulated chemicals, equipment or hazardous materials at the time of delivery.

3. Changes. Vendor shall furnish products and/or services strictly in accordance with the specifications and price set forth for each item. This PO shall not be modified, superseded or otherwise altered, except in writing signed by purchasing agent and accepted by vendor. Each shipment received or service performed shall comply with the terms of this PO, notwithstanding invoice terms or acts of vendor to the contrary, unless this PO has been modified, superseded or otherwise altered in accordance with this section.

4. Delivery. Unless otherwise specified in the solicitation or this PO, delivery shall be FOB destination. Buyer is relying on the promised delivery date, installation, and/or service performance set forth in vendor’s bid or proposal as material and basic to buyer’s acceptance. If vendor fails to deliver or perform as and when promised, buyer, in its sole discretion, may cancel its order, or any part thereof, without prejudice to its other rights, return all or part of any shipment so made, and charge vendor with any loss or expense sustained as a result of such failure to deliver or perform as promised. Time is of the essence.

5. Intellectual Property. Any software, research, reports, studies, data, photographs, negatives or other documents, drawings or materials (collectively “materials”) delivered by vendor in performance of its obligations under this PO shall be the exclusive property of buyer. Ownership rights shall include, but not be limited to, the right to copy, publish, display, transfer, prepare derivative works, or otherwise use the materials. Vendor shall comply with all applicable Cyber Security Policies of the State of Colorado (the “State”), or buyer, as applicable, and all confidentiality and non-disclosure agreements, security controls, and reporting requirements.

6. Quality. Buyer shall be the sole judge in determining “equals” with regard to quality, price and performance. All products delivered shall be newly manufactured and the current model, unless otherwise specified.

7. Warranties. All provisions and remedies of the Colorado Uniform Commercial Code, CRS, Title 4 ("CUCC"), relating to implied and/or express warranties are incorporated herein, in addition to any warranties contained in this PO or the specifications.

8. Inspection and Acceptance. Final acceptance is contingent upon completion of all applicable inspection procedures. If products or services fail to meet any inspection requirements, buyer may exercise all of its rights, including those provided in the CUCC. Buyer shall have the right to inspect services provided under this PO at all reasonable times and places. "Services" as used in this section includes services performed or tangible material produced or delivered in the performance of services. If
any of the services do not conform to PO requirements, buyer may require vendor to perform the services again in conformity with PO requirements, without additional payment. When defects in the quality or quantity of service cannot be corrected by re-performance, buyer may (a) require vendor to take necessary action to ensure that future performance conforms to PO requirements and (b) equitably reduce the payment due vendor to reflect the reduced value of the services performed. These remedies do not limit the remedies otherwise available in this PO, at law, or in equity.

9. Cash Discount. The cash discount period will start from the later of the date of receipt of acceptable invoice, or from date of receipt of acceptable products/services at the specified destination by an authorized buyer representative.

10. Taxes. Buyer and the State are exempt from all federal excise taxes under Chapter 32 of the Internal Revenue Code [No. 84-730123K] and from all State and local government sales and use taxes [CRS, Title 39, Article 26, Parts I and II]. Such exemptions apply when materials are purchased for the benefit of State, except that in certain political subdivisions (e.g., City of Denver) vendor may be required to pay sales or use taxes even though the ultimate product or service is provided to buyer. Buyer shall not reimburse such sales or use taxes.

11. Payment. Buyer shall pay vendor for all amounts due within 45 days after receipt of products or services and a correct notice of amount due. Interest on the unpaid balance shall begin to accrue on the 46th day at the rate set forth in CRS §24-30-202(24) until paid in full. Interest shall not accrue if a good faith dispute exists as to buyer’s obligation to pay all or a portion of the amount due. Vendor shall invoice buyer separately for interest on delinquent amounts due, referencing the delinquent payment, number of day’s interest to be paid, and applicable interest rate.

12. Vendor Offset. [Not Applicable to Inter-governmental POs] Under CRS §24-30-202.4 (3.5), the State Controller may withhold payment under the State’s vendor offset intercept system for debts owed to State agencies for: (a) unpaid child support debts or arrearages; (b) unpaid balances of tax, accrued interest, or other charges specified in CRS §39-21-101, et seq.; (c) unpaid loans due to the Student Loan Division of the Department of Higher Education; (d) amounts required to be paid to the Unemployment Compensation Fund; and (e) other unpaid debts owing to the State as a result of final agency determination or judicial action.

13. Assignment and Successors. Vendor shall not assign rights or delegate duties under this PO, or subcontract any part of the performance required under this PO, without the express, written consent of buyer. This PO shall inure to the benefit of and be binding upon vendor and buyer and their respective successors and assigns. Assignment of accounts receivable may be made only upon written notice furnished to buyer.

14. Indemnification. If any article sold or delivered under this PO is covered by a patent, copyright, trademark, or application therefore, vendor shall indemnify and hold harmless buyer from any and all loss, liability, cost, expenses and legal fees incurred on account of any claims, legal actions or judgments arising out of manufacture, sale or use of such article in violation or infringement of rights under such patent, copyright, trademark or application. If this PO is for services, vendor shall indemnify, save, and hold harmless buyer, its employees and agents, against any and all claims, damages, liability and court awards including costs, expenses, and attorney fees and related expenses, incurred as a result of any act or omission by vendor, its employees, agents, subcontractors or assignees, arising out of or in connection with performance of services under this PO.

15. Independent Contractor. Vendor shall perform its duties hereunder as an independent contractor and not as an employee. Neither vendor nor any agent or employee of vendor shall be deemed to be an agent or employee of buyer. Vendor and its employees and agents are not entitled to unemployment insurance or workers compensation benefits through buyer and buyer shall not pay for or otherwise provide such coverage for vendor or any of its agents or employees. Unemployment insurance benefits will be available to vendor and its employees and agents only if coverage is made available by vendor or a third party. Vendor shall pay when due all applicable employment, income, and local head taxes
incurred pursuant to this PO. Vendor shall not have authorization, express or implied, to bind buyer to any agreement, liability or understanding, except as expressly set forth herein. Vendor shall (a) provide and keep in force workers’ compensation and unemployment compensation insurance in the amounts required by law, (b) provide proof thereof when requested by buyer, and (c) be solely responsible for its acts and those of its employees and agents.

16. Communication. All communication concerning administration of this PO, prepared by vendor for buyer’s use, shall be furnished solely to purchasing agent.

17. Compliance. Vendor shall strictly comply with all applicable federal and state laws, rules, and regulations in effect or hereafter established, including, without limitation, laws applicable to discrimination and unfair employment practices.

18. Insurance. Vendor shall obtain, and maintain, at all times during the term of this PO, insurance as specified in the solicitation, and provide proof of such coverage as requested by purchasing agent.

19. Termination Prior to Shipment. If vendor has not accepted this PO in writing, buyer may cancel this PO by written or oral notice to vendor prior to shipment of goods or commencement of services.

20. Termination for Cause. (a) If vendor refuses or fails to timely and properly perform any of its obligations under this PO with such diligence as will ensure its completion within the time specified herein, buyer may notify vendor in writing of non-performance and, if not corrected by vendor within the time specified in the notice, terminate vendor’s right to proceed with the PO or such part thereof as to which there has been delay or a failure. Vendor shall continue performance of this PO to the extent not terminated and be liable for excess costs incurred by buyer in procuring similar goods or services elsewhere. Payment for completed services performed and accepted shall be at the price set forth in this PO. (b) Buyer may withhold amounts due to vendor as buyer deems necessary to reimburse buyer for excess costs incurred in curing, completing or procuring similar goods and services. (c) If after rejection, revocation, or other termination of vendor’s right to proceed under the CUCC or this clause, buyer determines for any reason that vendor was not in default or the delay was excusable, the rights and obligations of buyer and vendor shall be the same as if the notice of termination had been issued pursuant to termination under §21.

21. Termination in Public Interest. Buyer is entering into this PO for the purpose of carrying out the public policy of the State, as determined by its Governor, General Assembly, and Courts. If this PO ceases to further the public policy of the State, buyer, in its sole discretion, may terminate this PO in whole or in part and such termination shall not be deemed to be a breach of buyer’s obligations hereunder. This section shall not apply to a termination for vendor’s breach, which shall be governed by §20. Buyer shall give written notice of termination to vendor specifying the part of the PO terminated and when termination becomes effective. Upon receipt of notice of termination, vendor shall not incur further obligations except as necessary to mitigate costs of performance. For services or specially manufactured goods, buyer shall pay (a) reasonable settlement expenses, (b) the PO price for supplies and services delivered and accepted, (c) reasonable costs of performance on unaccepted supplies and services, and (d) a reasonable profit for the unaccepted work. For existing goods, buyer shall pay (e) reasonable settlement expenses, (f) the PO price for goods delivered and accepted, (g) reasonable costs incurred in preparation for delivery of the undelivered goods, and (h) a reasonable profit for the preparatory work. Buyer’s termination liability under this section shall not exceed the total PO price plus a reasonable cost for settlement expenses. Vendor shall submit a termination proposal and reasonable supporting documentation, and cost and pricing data as required by CRS §24-106-101, upon request of buyer.

22. PO Approval. This PO shall not be valid unless it is executed by purchasing agent. Buyer shall not be responsible or liable for products or services delivered or performed prior to proper execution hereof.

23. Fund Availability. Financial obligations of buyer payable after the current fiscal year are contingent upon funds for that purpose being appropriated, budgeted and otherwise made available. If this PO is
funded in whole or in part with federal funds, this PO is subject to and contingent upon the continuing availability of federal funds for the purposes hereof. Buyer represents that it has set aside sufficient funds to make payment for goods delivered in a single installment, in accordance with the terms of this PO.

24. Choice of Law. State laws, rules and regulations shall be applied in the interpretation, execution, and enforcement of this PO. The CUCC shall govern this PO in the case of goods unless otherwise agreed in this PO. Any provision included or incorporated herein by reference which conflicts with such laws, rules, and regulations is null and void. Any provision incorporated herein by reference which purports to negate this or any other provision in this PO in whole or in part shall not be valid or enforceable or available in any action at law, whether by way of complaint, defense, or otherwise. Unless otherwise specified in the solicitation or this PO, venue for any judicial or administrative action arising out of or in connection with this PO shall be in Denver, Colorado. Vendor shall exhaust administrative remedies in CRS §24-109-106, prior to commencing any judicial action against buyer.

25. Public Contracts for Services. [Not Applicable to offer, issuance, or sale of securities, investment advisory services, fund management services, sponsored projects, intergovernmental POs, or information technology services or products and services] Vendor certifies, warrants, and agrees that it does not knowingly employ or contract with an illegal alien who will perform work under this PO and will confirm the employment eligibility of all employees who are newly hired for employment in the United States to perform work under this PO, through participation in the E-Verify Program or the Department program established pursuant to CRS §8-17.5-102(5)(c). Vendor shall not knowingly employ or contract with an illegal alien to perform work under this PO or enter into a contract or PO with a subcontractor that fails to certify to vendor that the subcontractor shall not knowingly employ or contract with an illegal alien to perform work under this PO. Vendor shall (a) not use E-Verify Program or Department program procedures to undertake pre-employment screening of job applicants during performance of this PO, (b) notify subcontractor and buyer within three days if vendor has actual knowledge that subcontractor is employing or contracting with an illegal alien for work under this PO, (c) terminate the subcontract if subcontractor does not stop employing or contracting with the illegal alien within three days of receiving notice, and (d) comply with reasonable requests made in the course of an investigation, undertaken pursuant to CRS §8-17.5-102(5), by the Colorado Department of Labor and Employment. If vendor participates in the Department program, vendor shall deliver to the buyer a written, notarized affirmation that vendor has examined the legal work status of such employee, and shall comply with all of the other requirements of the Department program. If vendor fails to comply with any requirement of this provision or CRS §8-17.5-101 et seq., buyer may terminate this PO for breach and, if so terminated, vendor shall be liable for damages.

26. Public Contracts with Natural Persons. Vendor, if a natural person eighteen (18) years of age or older, hereby swears and affirms under penalty of perjury that he or she (a) is a citizen or otherwise lawfully present in the United States pursuant to federal law, (b) shall comply with the provisions of CRS §24-76.5-101 et seq., and (c) has produced a form of identification required by CRS §24-76.5-103 prior to the date vendor delivers goods or begins performing services under terms of the PO.
APPENDIX C – CONTRACTS SPECIAL PROVISIONS

1. CONTROLLER’S APPROVAL. This contract shall not be valid until it has been approved by the School Controller or Controller Delegate.

2. FUND AVAILABILITY. Financial obligations of the School payable after the current fiscal year are contingent upon funds for that purpose being appropriated, budgeted, and otherwise made available.

3. GOVERNMENTAL IMMUNITY. No term or condition of this contract shall be construed or interpreted as a waiver, express or implied, of any of the immunities, rights, benefits, protections, or other provisions, of the Colorado Governmental Immunity Act, C.R.S. §24-10-101 et seq., or the Federal Tort Claims Act, 28 U.S.C. §§1346(b) and 2671 et seq., as applicable now or hereafter amended.

4. INDEPENDENT CONTRACTOR. Contractor shall perform its duties hereunder as an independent contractor and not as an employee. Neither Contractor nor any agent or employee of Contractor shall be deemed to be an agent or employee of the School. Contractor and its employees and agents are not entitled to unemployment insurance or workers compensation Benefits through the School and the School shall not pay for or otherwise provide such coverage for Contractor or any of its agents or employees. Unemployment insurance Benefits will be available to Contractor and its employees and agents only if such coverage is made available by Contractor or a third Party. Contractor shall pay when due all applicable employment taxes and income taxes and local head taxes incurred pursuant to this contract. Contractor shall not have authorization, express or implied, to bind the School to any agreement, liability, or understanding, except as expressly set forth herein. Contractor shall (a) provide and keep in force workers’ compensation and unemployment compensation insurance in the amounts required by law, (b) provide proof thereof when requested by the School, and (c) be solely responsible for its acts and those of its employees and agents.

5. COMPLIANCE WITH LAW. Contractor shall strictly comply with all applicable federal and state laws, School policies, procedures, and regulations in effect or hereafter established, including, without limitation, laws applicable to discrimination and unfair employment practices.

6. CHOICE OF LAW. Colorado law, and procedures and regulations issued pursuant thereto, shall be applied in the interpretation, execution, and enforcement of this contract. Any provision included or incorporated herein by reference which conflicts with said laws, procedures, and regulations shall be null and void. Any provision incorporated herein by reference which purports to negate this or any other Special Provision in whole or in part shall not be valid or enforceable or available in any action at law, whether by way of complaint, defense, or otherwise. Any provision rendered null and void by the operation of this provision shall not invalidate the remainder of this contract, to the extent capable of execution.

7. BINDING ARBITRATION PROHIBITED. The School of Colorado does not agree to binding arbitration by any extra-judicial body or person. Any provision to the contrary in this contact or incorporated herein by reference shall be null and void.

8. EMPLOYEE FINANCIAL INTEREST/CONFLICT OF INTEREST. C.R.S. §24-18-201 and §24-50-507. The signatories aver that to their knowledge, no employee of the School has any personal or beneficial interest whatsoever in the service or property described in this contract. Contractor has no interest and shall not acquire any interest, direct or indirect, that would conflict in any manner or degree with the performance of Contractor’s services and Contractor shall not employ any person having such known interests.

9. VENDOR OFFSET. [Not Applicable to Intergovernmental Agreements] If required by C.R.S. §24-30-202.4 (3.5), the School Controller may withhold payment under the state’s vendor offset intercept
system for debts owed for: (a) unpaid child support debts or child support arrearages; (b) unpaid balances of tax, accrued interest, or other charges specified in C.R.S. §39-21-101, et seq.; (c) unpaid loans due to the Student Loan Division of the Department of Higher Education; (d) amounts required to be paid to the Unemployment Compensation Fund; and (e) other unpaid debts owing to the state as a result of final Agency determination or judicial action.

10. PUBLIC CONTRACTS FOR SERVICES. C.R.S. §8-17.5-101. [Not Applicable to agreements relating to the offer, issuance, or Sale of Securities, Investment Advisory Services or Fund Management Services, sponsored projects, Intergovernmental Agreements, or information technology services or products and services] Contractor certifies, warrants, and agrees that it does not knowingly employ or contract with an illegal alien who will perform work under this contract and will confirm the employment eligibility of all employees who are newly hired for employment in the United States to perform work under this contract, through participation in the E-Verify Program or the Department program established pursuant to C.R.S. §8-17.5-102(5)(c), Contractor shall not knowingly employ or contract with an illegal alien who will perform work under this contract or enter into a contract with a subcontractor that fails to certify to Contractor that the subcontractor shall not knowingly employ or contract with an illegal alien who will perform work under this contract. Contractor (a) shall not use E-Verify Program or Department program procedures to undertake pre-employment screening of job applicants while this contract is being performed, (b) shall notify the subcontractor and the School within three days if Contractor has actual knowledge that a subcontractor is employing or contracting with an illegal alien for work under this contract, (c) shall terminate the subcontract if a subcontractor does not stop employing or contracting with the illegal alien within three days of receiving the notice, and (d) shall comply with reasonable requests made in the course of an investigation, undertaken pursuant to C.R.S. §8-17.5-102(5), by the Colorado Department of Labor and Employment. If Contractor participates in the Department program, Contractor shall deliver to the School a written, notarized affirmation, affirming that Contractor has examined the legal work status of such employee, and shall comply with all of the other requirements of the Department program. If Contractor fails to comply with any requirement of this provision or C.R.S. §8-17.5-101 et seq., the School may terminate this contract for breach and, if so terminated, Contractor shall be liable for damages.

11. PUBLIC CONTRACTS WITH NATURAL PERSONS. C.R.S. §24-76.5-101. Contractor, if a natural person eighteen (18) years of age or older, hereby swears and affirms under penalty of perjury that he or she (a) is a citizen or otherwise lawfully present in the United States pursuant to federal law, (b) shall comply with the provisions of C.R.S. §24-76.5-101 et seq., and (c) has produced one form of identification required by C.R.S. §24-76.5-103 prior to the effective date of this contract.
Matrix for Sensitive Items

<table>
<thead>
<tr>
<th>Item Description</th>
<th>Allowability</th>
<th>Conditions/Additional Guidance</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Alcoholic Beverages Expense</td>
<td>Conditional</td>
<td>See the School's Alcohol Policy Statement.</td>
</tr>
<tr>
<td>a. Official Functions</td>
<td>Conditional</td>
<td>See the School's Alcohol Policy Statement.</td>
</tr>
<tr>
<td>b. Meetings/Conferences (where fees are charged for admission).</td>
<td>Conditional</td>
<td>See the School's Alcohol Policy Statement. This includes continuing education courses offered to non CSM students.</td>
</tr>
<tr>
<td>c. Employees in Travel Status</td>
<td>No</td>
<td>Note, however, that when official functions occur in travel status the official function guidelines apply.</td>
</tr>
<tr>
<td>d. Expenditures for alcohol by designated auxiliary operations (Retail centers licensed to serve alcoholic beverages to customers).</td>
<td>Yes</td>
<td>Restrictions apply to fund and account use.</td>
</tr>
<tr>
<td>e. Expenditures for alcohol products used as part of a research project and/or for instructional purposes.</td>
<td>Yes</td>
<td>Include business purpose with appropriate expenditure documents.</td>
</tr>
<tr>
<td>2. Automobile Related Expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>a. School-owned vehicle automobile expenses</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>b. Commercial vehicle rental expenses or trip fares or taxi/shuttle services</td>
<td>Yes</td>
<td>See the School's Travel Policies</td>
</tr>
<tr>
<td>c. Private vehicle automobile allowances</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>d. Private vehicle standard mileage reimbursement</td>
<td>Yes</td>
<td>See the School's Travel Policies</td>
</tr>
<tr>
<td>e. Private vehicle repairs</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>f. Moving or stationary vehicle violation tickets</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>Item Description</td>
<td>Allowability</td>
<td>Conditions/Additional Guidance</td>
</tr>
<tr>
<td>------------------</td>
<td>--------------</td>
<td>--------------------------------</td>
</tr>
<tr>
<td><strong>3. Break Room, Reception Room Equipment and Supplies</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a. Basic equipment for taking meals or snacks within the workplace, such as simple refrigerators, microwaves, stoves, coffee pots, toasters, water filtration, etc.</td>
<td><strong>Yes</strong></td>
<td></td>
</tr>
<tr>
<td>b. Equipment for entertainment, such as televisions, stereos, VCR's, DVD players, etc</td>
<td><strong>Conditional</strong></td>
<td>If the equipment is intended for employee use the expense is not allowable. If the expense is intended for a student/public common area then the expense is allowable.</td>
</tr>
<tr>
<td>c. Supplies such as coffee, snack food, candy, drinks, paper plates etc.</td>
<td><strong>Conditional</strong></td>
<td>If the supplies are primarily intended for guests, students, or a general reception area such purchases are allowed. If the supplies are primarily meant for School employee consumption then the purchases are not allowed.</td>
</tr>
<tr>
<td>d. Consumable items necessary to maintain the cleanliness of a break room or reception area</td>
<td><strong>Yes</strong></td>
<td></td>
</tr>
<tr>
<td><strong>4. Food and Related Consumables</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a. Food and related consumables for the employee’s personal consumption (Not in travel status and not an official function).</td>
<td><strong>No</strong></td>
<td></td>
</tr>
<tr>
<td>b. Food for official functions, including training, community relation, employee recognition, goodwill functions (for guests or volunteers), recruitment functions and other official functions</td>
<td><strong>Yes</strong></td>
<td>If only School associates and employees attend the official function then functions should be limited to infrequent meetings (Less than two times a year) or training events. These are usually multi-unit or campus events. Food is allowed for continuing education courses.</td>
</tr>
<tr>
<td>c. Food for standing, regular meetings or staff meetings</td>
<td><strong>No</strong></td>
<td></td>
</tr>
<tr>
<td>d. Regular business meals with only employees or associates even to discuss CSM business</td>
<td><strong>No</strong></td>
<td></td>
</tr>
<tr>
<td>Item Description</td>
<td>Allowability</td>
<td>Conditions/Additional Guidance</td>
</tr>
<tr>
<td>------------------</td>
<td>--------------</td>
<td>--------------------------------</td>
</tr>
<tr>
<td>4. Food and Related Consumables (continued)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>e. Student Functions</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>f. Meals for employees while in travel status</td>
<td>Yes</td>
<td>See the School’s Travel Policies</td>
</tr>
<tr>
<td>5. Conferences</td>
<td></td>
<td></td>
</tr>
<tr>
<td>a. Costs of conferences hosted by CSM</td>
<td>Yes</td>
<td>For food, decorations, awards and other needs of the conference that are covered by the conference registration fee.</td>
</tr>
<tr>
<td>b. Costs of off-campus conferences attended by School students, associates and employees</td>
<td>Yes</td>
<td>See the School’s Travel Policies</td>
</tr>
<tr>
<td>6. Donations</td>
<td></td>
<td></td>
</tr>
<tr>
<td>a. Cash donations to individuals, organizations, companies, non profits or other charitable groups.</td>
<td>No, one exception</td>
<td>Only the President’s Office may issue or approve donations and they may only approve donations where the donation meets the Mission of the Colorado School of Mines and is for a public purpose. Includes a prohibition on using School funds to make contributions to the School of Mines Foundation or Athletic fundraisers.</td>
</tr>
<tr>
<td>b. Event tickets, table or booth purchases where proceeds from the event are donated to individuals, organizations, companies, non profits or other charitable groups.</td>
<td>Conditional</td>
<td>If the event is part of a business community, professional group or other entity related to CSM’s education and research mission and the purchase of such tables or booths represent a benefit to CSM the purchase is allowable. Attendance of CSM employees and or immediate family shall be limited to those individuals necessary to properly represent the School.</td>
</tr>
<tr>
<td>c. Non cash donations to individuals, organizations, companies, non profits or other charitable groups.</td>
<td>Conditional</td>
<td>With approval of the President's Office fund raising events, or campaigns that are campus-wide, such as the Colorado Combined Campaign and the President's Office Christmas food drive, may receive non cash donations such as the use of equipment (Phone, copy machines, computers), related supplies, campus space or gifts/awards.</td>
</tr>
<tr>
<td>Item Description</td>
<td>Allowability</td>
<td>Conditions/Additional Guidance</td>
</tr>
<tr>
<td>------------------</td>
<td>--------------</td>
<td>-------------------------------</td>
</tr>
<tr>
<td><strong>7. Donor Cultivation and Fundraising Expenses</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a. Incurred to raise donations for others</td>
<td>No</td>
<td>However, the purchase of tickets for employees, associates and immediate family members to attend such events may be allowable if the event is directly related to CSM's education and research mission and the attendance is deemed required to represent CSM.</td>
</tr>
<tr>
<td>b. Incurred to raise donations for the School</td>
<td>Yes</td>
<td>However, required or solicited donations fees are not allowable expenses.</td>
</tr>
<tr>
<td><strong>8. Employee Recognition</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a. Work related functions or activities and their related costs, such as team-building exercises focused on the workplace and all associated supplies and materials.</td>
<td>Yes</td>
<td>Subject matter/focus of activities must be directly related to the work environment or work tasks.</td>
</tr>
<tr>
<td>b. Non work related activities and their related costs such as sporting league registrations, sponsorships, fees and team uniforms.</td>
<td>No</td>
<td>For most units these may be purchased through a collection of donations from fellow employees. These purchases are allowable for CSM Club sports teams and CSM Athletics teams.</td>
</tr>
<tr>
<td>c. Official Staff appreciation functions (see 4b above)</td>
<td>Yes</td>
<td>Limited to not more than $30.00 per person and is NOT associated with a holiday and does NOT occur more than two times per year per staff member.</td>
</tr>
<tr>
<td>d. Employee recognition events</td>
<td>Yes</td>
<td>Limited to not more than $30.00 per person excluding any award value and does NOT occur more than two times per year per staff member. For related awards see item 9. below.</td>
</tr>
<tr>
<td><strong>9. Flowers and Fruit Baskets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a. Flowers and/or fruit baskets as centerpieces and other decorative purposes associated with an official function</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>b. Flowers, fruit baskets, cakes, etc. purchased for expressing holiday, condolence, get-well or congratulation wishes to employees or associates.</td>
<td>No</td>
<td>May be purchased through a collection of donations from fellow employees.</td>
</tr>
<tr>
<td>Item Description</td>
<td>Allowability</td>
<td>Conditions/Additional Guidance</td>
</tr>
<tr>
<td>---------------------------------------------------------------------------------</td>
<td>--------------</td>
<td>---------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>c. Flowers, cards, fruit baskets etc for community relations, or to express condolences on a death of <strong>current employees or students</strong>.</td>
<td>Yes</td>
<td>Purchases of this type may be made only from unrestricted gift funds.</td>
</tr>
<tr>
<td><strong>10. Gifts, Tokens or Awards</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a. Gifts or tokens for employees (Cash or non cash)</td>
<td>No</td>
<td>With the exception of awards approved through Human Resources.</td>
</tr>
<tr>
<td>b. Gifts or tokens for student, associates and non associates as an indication of goodwill or esteem.</td>
<td>Yes</td>
<td>Examples may include a gift or honoraria for speaking engagements, student awards/incentives.</td>
</tr>
<tr>
<td>c. Employee recruitment gifts/tokens</td>
<td>Conditional</td>
<td>Gifts above $50.00 are considered more than a token and are not allowable. Tokens, such as CSM memorabilia, shirts, key chains, glasses, etc are allowable.</td>
</tr>
<tr>
<td><strong>11. Holiday and Birthday Parties</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a. Events to celebrate holidays</td>
<td>Conditional</td>
<td>As approved by the Vice Presidents and President as appropriate.</td>
</tr>
<tr>
<td>b. Events to celebrate employee birthdays.</td>
<td>No</td>
<td>May be purchased through a collection of donations from fellow employees. CSM space may be used at the unit director's discretion to host such events.</td>
</tr>
<tr>
<td><strong>12. Internet Connections from a Personal Location</strong></td>
<td>Conditional</td>
<td>Only if approved on a temporary basis (less than six months) by a unit director.</td>
</tr>
<tr>
<td><strong>13. License Fees, Memberships or Dues</strong></td>
<td>Yes</td>
<td>When the license, membership or due is directly related to the School's mission and the unit or individual functions.</td>
</tr>
<tr>
<td><strong>14. Moving Expense Reimbursement</strong></td>
<td>Yes</td>
<td>When approved by the Provost or appropriate VP. These reimbursements are typically taxable income.</td>
</tr>
<tr>
<td><strong>15. Office Supplies or Equipment for Home Office</strong></td>
<td>No</td>
<td>Includes all office supplies and or equipment for home offices.</td>
</tr>
<tr>
<td><strong>16. Parking</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>a. Parking fees for an employee at a primary work location</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>b. Parking tickets</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>Item Description</td>
<td>Allowability</td>
<td>Conditions/Additional Guidance</td>
</tr>
<tr>
<td>----------------------------------------------------------------------------------</td>
<td>--------------</td>
<td>---------------------------------------------------------------------</td>
</tr>
<tr>
<td>16. Parking (continued)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>c. Parking fees associated with travel status</td>
<td>Yes</td>
<td>See the School's Travel Policies</td>
</tr>
<tr>
<td>d. Parking fees required at a second/temporary work location such as a public lot while attending a meeting away from the primary work location.</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>e. Parking for guests, businesses or organizations at an official function</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td>17. Passports</td>
<td>Conditional</td>
<td>If the traveler certifies that the passport will only be used for <em>Official School Business</em> throughout the period of time the passport is valid.</td>
</tr>
<tr>
<td>18. Political Expenses</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>19. Recruiting Costs for prospective employees</td>
<td></td>
<td></td>
</tr>
<tr>
<td>a. Includes such direct costs as advertising, travel, official functions and background or reference checks</td>
<td>Yes</td>
<td>Applicant meals outside of the recruitment/official function are considered to be in travel status.</td>
</tr>
<tr>
<td>b. Recruitment functions held to introduce the candidate to School employees and associates for the purpose of assisting the candidate and the School in assessing the degree to which the employment of said candidate would be mutually beneficial.</td>
<td>Yes</td>
<td>Such events should only include those individuals directly related to the purpose of the function.</td>
</tr>
<tr>
<td>20. Retirement Parties/Gifts</td>
<td>Yes</td>
<td>Parties/gifts costing over $500 together require the approval of the Provost or the appropriate Vice President.</td>
</tr>
<tr>
<td>21. Tickets to events</td>
<td></td>
<td></td>
</tr>
<tr>
<td>a. Tickets to events purchased for resale to <em>students</em> and others in the School community.</td>
<td>Yes</td>
<td>These are only allowable when the tickets are to events directly associated with the <em>Organizational Unit</em>s primary functions or if the tickets are part of a continuing education course.</td>
</tr>
<tr>
<td>Item Description</td>
<td>Allowability</td>
<td>Conditions/Additional Guidance</td>
</tr>
<tr>
<td>---------------------------------------------------------------------------------</td>
<td>--------------</td>
<td>------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>b. Tickets to events purchased for direct use of employees, associates or students</td>
<td>Conditional</td>
<td>The Provost or appropriate Vice President may approve such procurements where attending the event is deemed to be beneficial to the School.</td>
</tr>
</tbody>
</table>

**22. Visas, Green Cards and/or Immigration Fees**

<table>
<thead>
<tr>
<th>Description</th>
<th>Allowability</th>
<th>Conditions/Additional Guidance</th>
</tr>
</thead>
<tbody>
<tr>
<td>a. Fees for permits/documents required by the student or employee in order to conduct necessary studies or work at the School.</td>
<td>Yes</td>
<td>All documents must be processed through the campus international student and scholar services office and Legal Services.</td>
</tr>
<tr>
<td>b. Fees for permits/documents required for spouses or dependents of students or employees</td>
<td>Yes</td>
<td>All documents must be processed through the campus international student and scholar services office and Legal Services.</td>
</tr>
<tr>
<td>c. Fees for visas for travel abroad by employees</td>
<td>Yes</td>
<td></td>
</tr>
</tbody>
</table>