

COLORADO STATE UNIVERSITY
FINANCIAL RULES

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INTRODUCTION

These University Financial Rules are issued by the University Controller and approved by the Operations Committee of the Cabinet (OCC) pursuant to authority granted by the Board of Governors of the Colorado State University System, the University President, the Chief Financial Officer (CFO). These Rules are subject to applicable federal and state laws and regulations and the CSU System Fiscal Rules, and should be construed and applied in accordance with generally accepted accounting practices (and, in particular, Governmental Accounting Standards Board [GASB] standards). These Rules may be amended by the Controller from time to time as required to remain current, with approval of the CFO.

These Rules are supplemented by the Financial Procedure Instructions (FPIs) issued by the Controller. For questions and concerns regarding these Rules and the related FPIs, contact your Campus Service Representative in Business & Financial Services ([BFS](#)).

RULE 1

ACCOUNTING

GENERAL PRINCIPLES

- 1.1. All University Financial Rules and Financial Procedure Instructions (FPIs or “Procedures”) are subject to the rules contained in the [Colorado State University System Fiscal Rules](#) (System Rules). In the event of any conflict between these Rules or the FPIs and the System Rules, the System Rules will govern. Financial Rules and Procedures are also subject to any applicable state statute, federal law or regulation, generally accepted accounting practice and/or other overriding law or rule. Any conflicts among these sources of regulation that are discovered should be reported to the University Controller’s office as soon as possible for resolution, and any operational issues related to the conflict should be referred to the University Controller for disposition. The University Controller shall be responsible for including the appropriate personnel in the resolution of any financial policy or procedure issue.
- 1.2. BFS shall establish a set of sub-fund groups sufficient to ensure the segregation of University activities and provide internal control of revenues and expenditures. These sub-fund groups shall be established at the discretion of the University Controller to meet the business needs of the campus, and applicable business rules for each sub-fund will be established in the FPIs.
- 1.3. The University shall maintain a financial management system to accomplish the proper recording, approvals and reporting of financial transactions. The University Controller is responsible for the proper maintenance, upgrades and on-going operation of the system to ensure compliance with all applicable laws, rules, regulations and generally accepted accounting principles.
- 1.4. BFS shall be responsible for developing procedures to properly record the acquisition, inventory and disposal of assets of the University as required by applicable laws, rules, regulations and generally accepted accounting principles.

BUSINESS OFFICERS AND SENIOR ADMINISTRATORS

- 1.5. Definitions:
 - 1.5.1. A Business Officer is a CSU employee who is responsible for managing the financial operations of a college or administrative Division, and whose primary duties include financial and administrative management. Typically, the Business Officer reports to a Dean, Vice President, the

Provost, or a Vice Provost. Each College and each administrative Division shall designate a Business Officer to serve on the Campus Administrative Advisory Group (CAAG) committee (or any successor committee) and to act as a liaison between the College or Division and the department of Business and Financial Services.

- 1.5.2. A Senior Administrator is: (i) the President or a Vice President, Vice Provost, or Assistant or Associate Vice President or Vice Provost; (ii) a Dean or Associate or Assistant Dean; or (iii) the Director of Athletics.
- 1.5.3. Except as otherwise provided herein, Senior Administrators may delegate their responsibilities via the [DHA Authorization Form](#) and/or the [Application for Authorized Business Function Approvals](#) to an appropriate Executive Director or Department Head for purposes of temporary absences, or on an ongoing basis for approval of Travel expenses and/or Authorized Business Function expenses. Delegation of Authorized Business Function approval authority to any other employee requires approval by the President or the President's designee. The form is submitted to BFS for review by the Controller prior to the delegation going into effect. Once approved by the Controller, the approval is granted in the Kuali Financial System.
- 1.6. Role and Responsibilities: Business officers are delegated authority by a Senior Administrator to carry out certain University, College or Division objectives. This grant of authority obligates the Business Officer with a duty to:
 - 1.6.1. Maintain an adequate system of internal controls (see Rule 1.9 below);
 - 1.6.2. Manage College/Division activities in accordance with University policies;
 - 1.6.3. Maintain, within appropriate boundaries of confidentiality and handling of sensitive information, a free flow of financial information within their unit in order to encourage and facilitate the necessary and proper use of University resources, budget planning, and understanding of business objectives;
 - 1.6.4. Initiate disclosures of any reportable conditions, material weaknesses in internal controls and suspected fraud;
 - 1.6.5. Assess and recommend for selection those assigned with approval authority within their unit, as well as communicating when personnel changes or other reasons for modifying that authority arise;

- 1.6.6. Maintain effective internal review processes for financial transactions and summary financial information, including, but not limited to: (a) periodic budget-to-actual analysis of all financial activity under management responsibility, on at least a quarterly basis; and (b) significant variances identified, analyzed and addressed with appropriate actions where needed to ensure the contributing activities and subsequent reporting are accurate and appropriate;
- 1.7. Code of Ethics. Business Officers and all other employees with access to University funds, assets, and financial systems and records shall comply with the following ethical principles. All such employees shall:
 - 1.7.1. Act with honesty and integrity, avoiding actual or apparent conflicts of interest between personal and professional relationships.
 - 1.7.2. Provide constituents with information that is accurate, complete, objective, relevant, timely, and understandable.
 - 1.7.3. Comply with rules and regulations of federal, state and local governments, and other appropriate regulatory agencies.
 - 1.7.4. Act in good faith; responsibly; and with due care, competence, and diligence, without misrepresenting material facts or allowing one's independent judgment to be subordinated.
 - 1.7.5. Respect the confidentiality of information acquired in the course of one's work except when authorized or otherwise legally obligated to disclose. Confidential information acquired in the course of one's work will not be used for personal advantage.
 - 1.7.6. Share knowledge and maintain skills important and relevant to constituents' needs.
 - 1.7.7. Proactively promote ethical behavior in the work environment.
 - 1.7.8. Achieve responsible use of and control over all assets and resources employed or entrusted.
- 1.8. Reporting Fiscal Misconduct.
 - 1.8.1. As used herein, "fiscal misconduct" means any unlawful or improper behavior involving the financial interests of the University, including (but not limited to) embezzlement, fraud or defalcation, misappropriation of goods, services, or resources, diversion of assets, conflict of interest situations that result in financial loss, and violation of University fiscal

policies and procedures for personal gain. “Suspected fiscal misconduct” means a reasonably held belief or actual knowledge that fiscal misconduct has or is occurring.

- 1.8.2. In order to protect the assets and interests of the University, ensure a coordinated approach toward resolution of fiscal misconduct, and encourage compliance with applicable laws, regulations and rules, any employee or student associated with the University who knows of or suspects fiscal misconduct must promptly notify either one's immediate supervisor, or one of the following: the CSU System Compliance Reporting Hotline, the CSU System Internal Auditing Department, the Office of the General Counsel, the University Police Department, the Human Resources Department and/or the University Controller.
- 1.8.3. Employees who report suspected fiscal misconduct are protected as “whistleblowers” when making such a report, provided they do so with a reasonably held belief of the truthfulness of the report, and without intentionally revealing confidential information of another (see C.R.S. §24-50.5-103). Any form of retaliation (including instituting a disciplinary action against such employee without good cause) is strictly prohibited.
- 1.8.4. Knowingly failing to report suspected fiscal misconduct may be grounds for disciplinary action.

INTERNAL CONTROLS

- 1.9. It is the University’s policy to maintain at all times an Adequate System of Internal Controls. Every employee of the University who engages in financial, business, and management activities has a responsibility to adhere to the internal controls established for such activities and to report to the Controller any Reportable Condition or Material Weakness in Internal Controls, as defined herein:
 - *Adequate System of Internal Controls:* A management system that reduces exposure to business, financial, and accounting risks, with the following elements:
 - *Authorization, Approval, and Accountability:* Transactions are authorized by a person with delegated approval authority, with sufficient explanation and documentation to support post-authorization review and audit; unauthorized transactions are identified and central departments are informed if a loss of University assets or any material irregularity occurs;

- *Documentation of and Adherence to Policies, Procedures, and the terms and conditions of gifts, grants, and contracts:* University, department, and sponsor policies, procedures and restrictions are formalized and communicated to employees. Documentation and accessibility helps provide day-to-day guidance to staff and will promote continuity of activities in the event of prolonged employee absences or turnover. Adherence requires active promotion by management and empowerment of staff to escalate issues of non-compliance;
- *Physical Security:* Equipment, inventories, cash, and other property are secured physically, counted periodically, and compared with amounts shown on control records; provide safeguards to protect against the loss or unauthorized use of University assets, including records and data;
- *Proper Management of Costs and Expenses:* Costs and expenses are monitored and controlled. Comparisons of actual expenses to budgeted amounts are performed on a regular basis, and all significant variances are researched;
- *Review and Reconciliation:* Routine examination and reconciliation of transaction records to official University records is required to verify the accuracy of the records, the appropriateness of the transactions, and their compliance with policy;
- *Separation of Duties and Monitoring:* Financial responsibilities are divided between different people to assure a single person does not perform every aspect of a financial transaction. Segregating responsibilities can reduce errors and prevent or detect inappropriate transactions. Based upon the level of separation of duties, management has the responsibility to monitor financial transactions and balances;
- *Training and Supervision:* Employees receive appropriate training and guidance to ensure they have the knowledge necessary to carry out their job duties. Employees are provided with an appropriate level of direction and supervision and are aware of the proper channels for reporting suspected improprieties;
- *Fraud:* This term includes (a) misstatements arising from fraudulent financial reporting that are intentional misstatements, or omissions of amounts or communications to deceive users of financial information; and (b) misstatements arising from misappropriation of assets;

- *Reportable Condition:* A significant deficiency in the design or operation of internal controls that could adversely affect the departments' ability to initiate, record, process, and report financial data consistent with the University's policies, procedures, and practices.
 - *Material Weakness in Internal Control:* A reportable condition for which the design or operation of internal control components cannot be relied on to detect errors within a timely period by employees in the normal course of performing their assigned functions.
- 1.10. As part of the distributed authority for financial management, BFS shall provide an Attestation Letter for Business Officers and Senior Administrators to attest to the principles listed above on an annual basis.
- 1.11. Business Officers and other designated University personnel will assist internal and external auditors to ensure that their review is conducted in an organized, cost-effective, and timely manner.

RELATED PROCEDURES

FPI 1-1	Accounts
FPI 1-2	Object & Sub-Object Codes
FPI 1-3	Funds & Subfunds
FPI 1-4	Administration of Agency Subfunds
FPI 1-5	Journal Entry Corrections
FPI 1-6	Kuali Financial Overview
FPI 1-7	Kuali Financial System Related Systems
FPI 1-8	Administrative System Online Access
FPI 1-10	Financial Statements
FPI 1-11	External Audit

FPI 1-12	Student Short Term Loan fund
FPI 1-13	Reserve Accounts
FPI 1-14	Higher Education Function Code

RULE 2

EXPENDITURES AND REVENUES

PROPRIETY OF EXPENDITURES

2.1. All expenditures of University funds shall be made for official University business purposes only and shall be reasonable and necessary under the circumstances.

2.1.1. Employees authorized to approve University expenditures are responsible for ensuring that the expenditures are proper and have contemporaneous documentation which satisfies the required justification of such expense. Since evaluation may require some degree of judgment, the following general guidelines provide a framework, but are not exhaustive. A University expenditure is proper only if it meets all of the following tests:

- (i). Is necessary to satisfactorily accomplish official University mission or goals.
- (ii). Complies with all existing University and applicable sponsoring agencies' policies and procedures (including federal, state, and local regulations).
- (iii). Does not appear to, nor does it actually, provide personal, political, or other non-business benefit to an employee without a justifiable, primary benefit to the University.
- (iv). Is within approved budgets.
- (v). Is appropriately approved.
- (vi). Except as specifically authorized in the Financial Rules or FPI's, University funds shall not be expended for the personal use and benefit of employees. Personal expenses such as CSU parking passes and costs of commuting are not reimbursable. Employees with thirty (30) years of service and retirees returning to work remain eligible for parking passes supplied by the University.
- (vii). All tax reportable (i.e. W9 requirement) payments made to third parties must be paid directly to the payee by the University.

2.2. Requirements for all Expenditures and Obligations

2.2.1. No monetary obligation to an external party shall be incurred except in accordance with applicable laws, rules, regulations, and policies, including,

but not limited to, the CSU System Fiscal Rules, CSU Procurement Rules, and this policy.

2.2.2. No monetary obligation to an external party that is in excess of the University's small-dollar purchase threshold (see [Procurement Services](#) for dollar thresholds) shall be incurred by any person on behalf of the University unless an approval document has been issued in advance. Approval documents include:

- (i). A purchase order issued through the financial system upon approval of a purchase requisition;
- (ii). A University contract that has been reviewed, approved and executed in accordance with the CSU Procurement Rules and Contract Signature Delegations approved by the President; and
- (iii). Documentation of a small dollar purchase as required by the financial procedures.

2.3. Before authorizing any expenditure, a duly authorized official shall ensure that:

2.3.1. All required approvals have been received and documented;

- (i). The expenditure is reasonable and necessary for the official business purposes of the University;
- (ii). The prices and/or rates agreed upon are fair and reasonable;
- (iii). The expenditure amount is within the available unencumbered balance;
- (iv). The approval document adequately defines the requirements, respective performance obligations of the parties, and pricing;
- (v). Any and all terms and conditions of the transaction are a reasonable allocation of risks between the parties;
- (vi). The transaction complies with applicable statutes, rules and policies; and
- (vii). The proper University account has been encumbered, if using a purchase order or contract. The encumbrance of funds is not required for exempt transactions.

2.4. Exempt Transactions. The following types of transactions are exempt from the requirement that an approval document be issued prior to the incurrence of the obligation to expend funds:

- Athletic visiting team guarantee, consigned tickets, conference membership, fees for officials at NCAA events, athlete medical bills (Intercollegiate Athletics only).
- Benefits payments.
- Payments to CSURF or CSUF.
- Insurance purchases.
- Intra-Institution purchases.
- Membership dues.
- Military property custodian purchases (Military Science only).
- Postal and other delivery charges including messenger fees.
- Program obligations for direct reimbursements and grant programs.
- Refunds and cost shares.
- Registration fees related to conferences, seminars, receptions or other official events.
- Securities, taxes, regulatory fees and fund transfers (Business & Financial Services only).
- Stipends, honorariums, allowances, support, grants.
- Subscriptions for journals, informational publications or similar materials.
- Tuition expenses at other educational institutions.
- Utilities (water, gas, electric) and customary local and long distance telephone service including pagers and cell phones.
- Other contract disbursements approved in writing by the University Controller.

2.5. Unauthorized Commitments.

- 2.5.1. A commitment or obligation to expend funds is unauthorized if it is incurred without first obtaining all approvals required for the transaction or in any manner inconsistent with the law or this Rule. Unauthorized commitments are strictly prohibited.
- 2.5.2. Under certain circumstances, an unauthorized commitment may be ratified by the University Controller. Justification for requesting ratification must be provided in accordance with CSUS Fiscal Rule 2.4., and must be submitted to

the University Procurement Director by the responsible Business Officer within 30 days after the person responsible for incurring the commitment became aware of the lack of authorization, and, in any event, within 60 days of its occurrence. Repeated or flagrant violations of the Rule against incurring unauthorized commitments may result in disciplinary action.

- 2.5.3. Personal Liability. Pursuant to C.R.S. §24-30-202(3) any person(s) who incurs or orders an obligation or makes a payment from University funds without the requisite authority may be held personally liable for such obligation, unless the obligation is ratified by the Controller for good cause and the benefit of the institution. Recurring unauthorized commitments by a department or individual may result in sanctions including (but not limited to) removal of privileges in the financial system, revocation of delegated authority, or disciplinary action.

SIGNATURE AND APPROVAL AUTHORITY

- 2.6. Signature authority for all University expenditures and transactions is delegated by the University President in accordance with state statutes and delegations by the Board of Governors. There are two distinct types of signature authority for expenditures: authority delegated by the Board to the President to bind the Board, acting by and through the institution for the use and benefit of the department, to a transactional obligation (“transaction authority”); and authority granted by the Controller to expend University funds (“expenditure authority”).
 - 2.6.1. Transaction Authority: As specified in a written delegation document, the President delegates approval authority for specific types of transactions to the responsible Senior Administrator, with specified authority to sub-delegate such authority to others subject to the approval of the President. Authority to enter into contracts binding the institution is further discussed in Rule 3.
 - 2.6.2. Expenditure Authority: Expenditure authority for operational purposes has been delegated to and resides with the University Controller. The Controller delegates expenditure authority by written delegation and through assignment of role and responsibility in the electronic financial system.
- 2.7. Roles and Responsibilities:
 - 2.7.1. Account Supervisors: Department Heads (or equivalent position titles) are the principal administrators of the school’s, college’s or division’s departments, and are accountable to the Senior Administrator. Directors (or

equivalent position titles) are the principal administrators for Organizational Units, such as institutes, centers, and administrative departments, also accountable to a Senior Administrator.

- 2.7.2. Account Managers: Facilitates the accomplishment of financial management objectives, where delegated by a Senior Administrator or account supervisor, may designate employees within their functional area of responsibility as key employee(s) with the authority and responsibility for fiscal transactions. Within our Quali Financial System, this is an operational role which has responsibility for ensuring that funds are spent and managed according to goals, objectives, and mission of the organization, to ensure that the funds are being spent according to a budgeted plan and that the allocation of expenditures is appropriate to the function identified in the account. The Fiscal Officer and Account Manager may be the same individual.
- 2.7.3. Fiscal Officers: Within the Quali Financial System, has oversight role assigned at the account level which must be an individual, not a workgroup. The Fiscal Officer must approve every financial document except Cash Receipts, Advance Deposit, Service Billing and Collector Feeds. Fiscal Officers may delegate approval authority to a single primary delegate or to multiple secondary delegate(s). The delegation may be for all document types, or only specific document types. A dollar range (minimum, maximum) may also be designated, and the delegation may be for a specific period of time (annual leave, etc.). When delegations are in place, the fiscal officer and delegates may need to apply a filter to retrieve the documents for which they have authority.
- 2.7.4. All financial transactional approval authority is maintained within the University's financial management system which shall be maintained by BFS to ensure appropriate approvals are being obtained on financial documents. Unless otherwise specifically authorized by this policy or by the Controller, all approvals must be entered by the approver in the financial management system, whether or not they are also made in a separate writing.
- 2.7.5. No financial transaction shall ever be approved by proxy, rubber stamp, or other such secondary means. Sharing of usernames and passwords for allowing others to approve financial transactions is expressly prohibited and is a violation of Colorado State University's Information Technology Security Policy. The University's financial system allows for multiple valid

approvers at all levels so that it is unnecessary to attempt to use another individual's access. Sharing of access may result in revocation of system authority and/or other disciplinary action.

2.7.6. Approval authority is not automatic based on the position; the individual with authority to grant the delegation must do so, in writing (or in the financial system), to the specific individual.

2.7.7. All delegations are subject to modification or termination at any time by the delegating authority or a higher authority, with or without cause.

2.8. Specific Delegations:

2.8.1. Approval authority is delegated for the following activities and transactions, without the authority to further sub-delegate (unless otherwise specified in the Rule or by the Controller). (Note: This authority does not include or imply the authority to procure goods or services without competitive solicitation where and as required, nor to enter into any contract or agreement without required review and transaction approvals).

2.8.2. Payroll: all payroll documents must be approved by a duly authorized individual.

2.8.3. Non-Payroll:

(i). For non-payroll expenditures greater than or equal to \$10,000, divisional approval authority is delegated to all Senior Administrators and their delegates to expend funds against any account assigned to an organizational entity under their jurisdiction. This delegation cannot be re-delegated without the approval of the Senior Administrator. This authority does not include or imply the authority to procure goods or services without competitive solicitation where and as required, nor to enter into any contract or agreement without required review and transaction approvals.

(ii). Divisional approvers shall establish departmental level (or "organizational") approvers for non-payroll expenditures. The organizational approver will approve all Adjustment/Accrual Voucher, Budget Adjustments, Distribution of Income and Expense, General Error Correction, Pre-Encumbrance and Transfer of Funds documents. Non-payroll expenditures greater than or equal to \$1,000 for Disbursement Voucher, Internal Billing, Internal Order, Requisition, and Work Order Authorizations will route to the organizational

approver as well. An organizational approver of expenditures is usually a department head, director, principal investigator or other individual having the appropriate responsibility for the program for which the expenditure is made.

(iii). All non-payroll expenditures are required to be approved by a fiscal officer. A department head or higher level individual may authorize any appropriate employee to act as a fiscal officer for any account in their respective organization entity. Fiscal officers, with approval of the organizational approver, are encouraged to delegate their approval authority to another qualified individual for organizational efficiency to provide for transaction approvals when the primary fiscal officer is unavailable.

2.9. Special Approvals:

2.9.1. The Office of Sponsored Programs must approve certain expenditures from 53-fund accounts. Any individual initiating an expenditure of those funds is responsible for obtaining prior approval from the Office of Sponsored Programs where required. See FPI 2-7 and contact Sponsored Programs for assistance.

2.9.2. Expenditures for construction or trades services require prior approval by Facilities Management.

2.9.3. Expenditures for rent or use of building space (other than University-owned buildings), and lease or license of real property require prior approval by CSURF Real Estate Office. Contact Contracting Services for assistance.

2.9.4. Expenditures for radioactive material and controlled substances require approval by Environmental Health Services (EHS).

2.9.5. Expenditures made pursuant to a written contract or agreement are subject to the requirements of Rule 3 and require the prior approval of an authorized Purchasing Agent or reviewing attorney unless Contracting Services has issued a prior special delegation of authority.

2.9.6. All travel expenditures require special approvals (see Rule 5, Travel).

2.10. Advance Payments: No payments can be made in advance of the receipt of goods or services for the University without the approval of the University Controller. The University Controller may delegate this approval as necessary for operational efficiencies.

ALLOWABLE AND UNALLOWABLE EXPENDITURES

- 2.11. Costs on Sponsored Programs (53-fund) Accounts. Certain expenditures are specifically unallowable including expenses of a personal nature and specifically identified costs on federal funds. Please refer to FPI 2-7 for details.
- 2.12. The University conducts research projects (including surveys) that involve the participation of human subjects. As an incentive to participate, individuals may receive payments in the form of cash and/or cash equivalents such as gift certificates or gift cards. When making incentive payments to individuals, the University must comply with Internal Revenue Service, federal government regulations and sponsor guidelines.
- 2.13. Personal Expenses:
- 2.13.1. Telecommunications and Mobile Devices. The University's telephone system, including cellular phones and other mobile devices, is provided for conducting the official business of the University. Personal use of long distance access codes, mobile devices and other telecommunications services that results in a cost to the University is permitted only if such use is consistent with FPI 2-15 and the University's mobile communications program policy and/or fully reimbursed to the University.
- 2.13.2. Personal Use of Equipment and Supplies. Employees may not use University resources for personal benefit, except for *de minimis* use. *De minimis* use is infrequent, incidental use that (i) does not disrupt the usual and orderly operation of the department, (ii) does not significantly detract from the employee's use of work time for work purposes, and (iii) has a zero or very minimal value and impact on the department's expenditures. Students and University employees may not be assigned to perform work for the primary benefit of an employee or employee's business except under an approved services contract or research agreement. For more information on acceptable use of computers and systems, see [Academic Computing and Network Services Acceptable Use Policy](#).
- 2.13.2.1 Office supplies are not to be used for personal purposes. Coffee, tea and other non-alcoholic beverages may be supplied in reasonable amounts at the discretion of the department or unit head; departments are not required to supply such items for employees' personal use.

- 2.13.3. Other personal expenses. Pursuant to CSUS Fiscal Rule 2.2 and applicable statutes, employees may not charge personal expenses to any University fund or account. (See also, Rule 5 regarding travel). Misuse of University funds or property for personal benefit may be grounds for discipline (up to and including termination), and, in some cases, may constitute a violation of law subjecting the responsible persons to civil and/or criminal sanctions.

AUTHORIZED BUSINESS FUNCTIONS

- 2.14. This Rule governs the allowability of expenses in connection with Authorized Business Functions as defined herein. With respect to all such expenditures, it is critical to recognize their sensitivity and susceptibility to actual or perceived abuse or misuse of public resources. Evaluation of all such activities and their costs at an appropriate management level must occur to ensure they are reasonable, normal and necessary, to verify the existence of a net primary benefit to the University, and to promote compliance with this Rule and all other applicable rules and regulations (whether University, federal, state, sponsor, city, or other authority).

2.15. Definitions:

- 2.15.1. Authorized Business Function- An event or function that is not classified as Travel (see Rule 5), where food, beverages or entertainment expenses are incurred for the Net Primary Benefit of the University, in connection with one or more of the following: Working Meetings; Training/Professional Development; Guest/Student Hospitality; Employee/Student Recruiting; Promotion and Advancement; Recognition Events and Awards; or Educational Outreach.
- 2.15.2. Authorized Business Function Approver- a Senior Administrator or a department head or unit executive director who reports to a Senior Administrator and has been delegated the authority to host and/or approve expenses for Authorized Business Function activities. This individual ensures that the activities and related costs are reasonable and necessary for legitimate business purposes, and do not compromise the integrity of the institution. See Rule 1.5.3 regarding delegation of Authorized Business Function Approver authority to any other employee.
- 2.15.3. Director of Development: the senior fundraising officer who has responsibility for creating and implementing annual development plans and strategies, and leads and manages the College/unit overall development efforts.

- 2.15.4. Working Meeting: A meeting during which business of the University is being conducted in a University facility, when, for the sake of time, efficiency and continuity, it is reasonable to furnish food and beverages to the participants during the meeting at University expense; or at a place other than a University facility, when the business reasons for choosing such a venue are documented on the Authorized Business Function form. When pre-approval is not reasonably practicable, approval after the fact is permitted.
- 2.15.5. Training/Professional Development: Scheduled classes, workshops, seminars, etc. for the purpose of training University employees in one or more job-related areas.
- 2.15.6. Guest/Student Hospitality: Events involving the attendance of University personnel and one or more invited speakers, distinguished guests, students, or other non-employees for the purpose of advancing a program of the University, when it is reasonable to furnish food and beverages to the participants during the meeting at University expense.
- 2.15.7. Employee/Student Recruiting: Events involving the attendance of one or more University employees and a candidate for a position at the University, or of student prospects being actively recruited by an academic unit, in the course of an approved search or other recruiting/hiring process.
- 2.15.8. Promotion and Advancement: Events involving the attendance of donors or potential donors, as determined by the responsible Authorized Business Function Approver, in order to promote the University, its programs and services, for the purpose of fundraising.
- 2.15.9. Recognition Events and Awards: Events held for the purpose of recognizing the accomplishments and/or contributions of employees or non-employees to the success of the University and its programs, and awards presented to employees or non-employees in connection with such recognition. Examples include retirement receptions, milestone celebrations, and the like.
- 2.15.10. Educational Outreach: Events held by academic or administrative units to engage in the educational, cultural, and campus community experience, in connection with a recognized academic or co-curricular program.

- 2.15.11. Gift, Donation or Charitable Contribution- Any goods, funds or services given without consideration. "Consideration" means anything of value received in return.
- 2.15.12. Net Primary Benefit to the University- A financial benefit or advantage provided to the University primarily in support of its mission or goals that can stand alone in its justification to the exclusion of any personal benefit that may accrue to the participants, and that is reasonably calculated to exceed the cost of providing such primary benefit.
- 2.16. Authorized Business Function Approvals:
 - 2.16.1. An Authorized Business Function Approver must *objectively* evaluate each proposed activity and its related costs to safeguard the University's assets and integrity. As with all University expenses, costs must be shown to be reasonable, normal and necessary to the business of the institution.
 - 2.16.2. In order to be approved as an Authorized Business Function, an activity and its related expenses must have a Net Primary Benefit to the University. At the discretion of the Senior Administrator, prior approval of an Authorized Business Function expense may be required.
- 2.17. Attendance: Authorized Business Functions may be attended by University employees and/or guests for the primary purpose of conducting institutional business involving instruction of students, research, public service, outreach, or administration. Attendance is strictly limited to those who are essential to the purpose. Authorized Business Functions rarely reflect a primary business purpose when they include spouses or guests of employees attending at the expense of the University, who have no independent business duties on behalf of the institution.
- 2.18. Alcoholic Beverages: Service of alcoholic beverages can easily create the appearance of a misuse of public resources and can lead to unprofessional or improper behavior in a work-related setting. Therefore, only approved funding sources (as specified in FPI 2-1) may be utilized to purchase alcoholic beverages for Authorized Business Functions, and only when approved by the responsible Senior Administrator as appropriate for the nature of the activity. Alcoholic beverages may never be purchased for consumption during a Working Meeting or Training Session. When alcoholic beverage purchases are appropriate, costs must be closely scrutinized to assure they are normal and reasonable, and that funding is provided from an appropriate source not compromising institutional integrity.

2.19. Training sessions:

2.19.1. Training sessions held or attended by University employees or invited guests must be for the purpose of achieving established program objectives. Expenditures may include registration fees, instructor fees, meeting and equipment costs, and refreshments or meals when appropriate. Attendance by University employees is limited to those who are directly involved with the session's purpose.

2.19.2. Sessions must have: (1) a written agenda; (2) study materials; and (3) identified trainer(s).

2.19.3. Alcohol cannot be purchased or provided for consumption during a training session. Alcohol purchases for events that are held in connection with, or following, a University-hosted training session or working meeting must be separately approved.

2.19.4. Training sessions such as conferences, seminars, and other professional development activities attended by University employees and hosted by a non-University entity (such as a professional association) are considered part of the employee's job duties. During such training sessions, regardless of who is hosting the event and whether on- or off-campus, employees are subject to the same expectations of conduct, including alcohol and drug policies of the University, as they are during any other regular work activity. However, it is recognized that such activities often include receptions, banquets, networking functions, and recreational opportunities that employees may enjoy, and that such activities often include service of alcoholic beverages. Any part of a training session that includes alcohol must take place after the training is completed for that day, and, if there is any separate charge for an alcoholic beverage, it must be paid for directly by the employee.

2.20. Recruiting: Recruiting expenses must directly relate to locating and securing new employees or students for the University or for welcoming students at Ram Orientation. (Note: this section does not authorize expenses related to recruiting of student-athletes; contact the Department of Athletics for more information).

2.20.1. Candidates for either student enrollment or University employment may be invited to the University for a visit and interview. Meeting and interview costs, airfare, transportation, rental car, lodging and meals, where properly approved, may be allowed as recruiting expenses.

- 2.20.2. Expenses for the participation of existing University employees in the recruiting process are limited to only those individuals essential to the process (for example, appointed members of a search committee) and must be reasonable. If expenses for alcoholic beverages are authorized for an employee recruiting event (such as a search committee dinner with a candidate), such expenses must be reasonable and must be paid from an approved funding source (see FPI 2-1).
- 2.20.3. An Authorized Business Function Approver must approve all recruiting costs.
- 2.20.4. Travel expenses for recruiting must follow travel rules (see Rule 5, Travel), although recruiting object codes can be used for related expenses (except personal mileage expenses).
- 2.20.5. Moving Allowances. Moving allowances are within the scope of recruiting expenses and may be provided when reasonable and necessary to attract candidates in competitive searches. In order for a moving allowance to be provided, it must be included in an offer letter to the prospective employee. All such payments must be for a pre-determined, fixed amount, and must be outlined in the candidate's offer letter, provided that approvals have been obtained, and funding is identified. BFS will provide forms and procedures for this expense. For all moving reimbursements, the University will comply with IRS tax reporting requirements. Refer to FPI 2-6.
- 2.21. Recognition Events. In striving to create and sustain an encouraging and supportive work environment for its employees, a department may hold a recognition event to recognize employees (or non-employees such as students, donors, and supporting organizations), as a gesture of appreciation or as an indication of goodwill and esteem. These may include departmental social events, holiday gatherings, and similar occasions where recognition is made and/or awards presented. A department may not expend more than \$50 per person, per event or \$100 per person, per year at all such events (including the value of any tangible, non-cash, token giveaway items such as those listed for a token award, below), or such lower amount as may be set by the responsible Senior Administrator, without the express prior permission of the President (or President's delegate/designee). Room rental charges for on-campus facilities are not included in these amounts. Cash and cash equivalents such as gift cards may not be given, as these are taxable compensation that must be tracked.

2.22. Recognition Awards. Awards may be made to either employees or non-employees in recognition of acts or achievements clearly benefiting the University.

2.22.1. Awards are permissible only when made pursuant to an established award program approved by a Senior Administrator, with clear, written criteria for making such awards. (Ad hoc awards are not permitted). Awards must recognize exceptional work-related achievements benefiting the University or acts of service to the University or its constituents that go above and beyond expected behaviors. Awards must be given based on articulable criteria, in an equitable manner, without favoritism or personal motivation. All such awards must be documented, reported to Human Resources-Payroll, and managed in accordance with prudent internal controls to avoid any appearance of impropriety.

2.22.2. Each award must also be approved by a responsible Business Officer who has been expressly delegated by the Senior Administrator with authority to approve such awards. Such expenditures shall not be approved if the expenditure will have a material impact on the department's budget.

2.22.3. As used herein, "cash equivalent" includes items such as gift certificates or cards, free meals, free veterinary or other services, parking passes, athletic tickets, and similar items that have a determinable cash value.

2.22.4. Awards may take one of two forms:

(i). Token Awards: Mementos of appropriate tangible property (not cash or cash equivalents), for example, an unsolicited item of trivial value less than one hundred dollars (\$100), such as a pen, calendar, plant, book, note pad or other similar item; or an unsolicited token or award of appreciation in the form of a plaque, trophy, desk item, wall memento, or similar item, may be given. The value of such awards is considered *de minimis* and will not be imputed to the employee for tax purposes, so long as they are not given frequently to the same employee or in any manner that circumvents the restrictions on this type of award.

(ii). Material Awards: All cash and cash-equivalent awards, and non-cash items valued at or above \$100, are considered as a part of the employee's compensation and therefore constitute taxable wages subject to Medicare, income tax withholding, and W2 reporting requirements. Income will be imputed to the employee for the amount

or value of the award. When such items are awarded, it is important that this rule be taken into consideration by both the department and the recipient. All Material Awards of cash or cash equivalents must be reported to the Payroll Department when made.

- 2.22.5. Retirement Awards: Tangible property (not cash or cash equivalents) up to \$400 in university-wide aggregate value may be given if approved by the responsible Senior Administrator. Greater awards must be approved by the President and the value over \$400 per calendar year will be imputed as taxable wages. Awards may only be given to retirees with five or more years' service to CSU, and an employee may not receive more than one retirement award (except for token awards) within a five-year period. Income tax, Medicare, and PERA withholding are exempt.
- 2.22.6. Employee Incentive Programs: Employee incentive programs reward employees based on some measure of production or accomplishment and are designed to increase productivity, decrease costs, or use a non-traditional compensation structure under certain specific, extraordinary circumstances. Examples include bonuses to be included in an athletics coach's employment contract, or commissions paid based on fundraising by development officers. An employee incentive program cannot be used to raise an employee's base compensation, nor to increase compensation for routine performance of position responsibilities. Any employee incentive program must be approved, in advance, by the President (or President's authorized designee) and must comply with applicable laws and regulations, including Colorado constitution, Article XXIX and C.R.S. § 24-50-805.
- 2.22.7. Non-employee Awards: These awards, generally established in connection with the goals of University Advancement, formally recognize non-employees for efforts or accomplishments directly benefiting the University. These can only consist of appropriate tangible property (never cash or cash equivalents). A written justification must be provided to, and approved by, the Vice President for Advancement, when applicable, and the responsible Vice President/Provost. A non-employee who is a public officer, member of the general assembly, local government official, or other government employee (including independent contractors for the government), may be subject to the gift ban set forth in Art. XXIX, Sec.3 of the Colorado constitution and therefore may not be given a gift or award, other than a token award (as defined above), without prior review and approval by the

Office of the General Counsel. If the non-employee is a CSU student, see FPI 2-5, Payments to Students.

- 2.23. Promotion and Advancement. Fulfillment of University objectives requires certain Promotion and Advancement activities, and their related expenses, to foster goodwill, support the public image of the University, and encourage donations. Expenses for promotion and advancement must be approved by the responsible Senior Administrator.
- 2.24. Swag and Promotional Items. University funds may be used to provide tangible items of *de minimis* value (up to \$20 each) at a recognition event, employee fair or other event where such items are made available to all attendees. No cash or cash equivalents may be given.
- 2.25. Bereavement. A department may expend up to \$100 for cards, flowers or mementos for a current or former employee upon the death of the employee or the current employee's family member.
- 2.26. Employee Birthday Recognition. A department may purchase birthday greeting cards of a minimal dollar amount for employees in their department. Use of free or low-cost e-cards is encouraged.
- 2.27. Goods, funds or services given from University resources without consideration of an act or achievement providing clear, justifiable benefit to the University is strictly disallowed with University funds, unless expressly approved in advance by the University Controller. Unauthorized expenditures for gifts, donations or charitable contributions may create a violation of the law. See Colorado Constitution, article V, section 34; C.R.S. § 24-30-202(5)(a).

Gifts and contributions made for development purposes, for which no tangible consideration is received by the University, provide such a benefit if they are reasonably related to encouraging donations to be made or for maintaining existing donor relations, are *de minimis*, and are reasonable. As used herein, "*de minimis*" means less than \$100, non-recurring, and for non-cash, token gifts of appreciation or recognition. An example would include making a gift of CSU-branded souvenirs or apparel to a donor prospect. Any unique or special circumstances which could require College/units to exceed the \$100 limit will need prior approval from The Vice President for Advancement or Assistant/Associate Vice President for Advancement and any such approval shall not exceed \$500 unless first approved by the Controller on the basis of

written justification. All such expenses must be paid using gift (64-fund) accounts.

REVENUES

2.28. Sales Of Goods and Services

2.28.1. Sales to University departments or constituents: The University may engage in the sale of goods and services to the campus community even though they may be available elsewhere, provided that: (a) The provision of the goods and services is substantially related to the University's instruction, outreach, research or public service mission, or (b) The provision of the goods or services supports and is necessary or convenient for the campus community, including invited guests.

(i). If the activity meets the criteria in the preceding section, the price or fee for the goods or services must be established at a sufficient level to reflect the direct and indirect costs and overhead costs of providing such goods or services.

(ii). Any promotion or advertisement is to be directed only to the campus community, not the general public, and shall not make comparisons with off-campus business establishments or prices.

2.28.2. Sales to the external community: The University may provide goods and services to the external community, provided that: (a) The goods or services are directly related to the University's instruction, research or public service mission, or (b) There is an external demand for the goods or services which are not commonly available or otherwise easily accessible and the University has special knowledge, resources, or capabilities to provide them.

(i). If the activity meets either of the above criteria, then price charged should reflect the direct and indirect costs and overhead costs of providing such goods or services, in addition to being reflective of the price in the private marketplace (where the price in the private marketplace can be reasonably determined by the University).

RELATED PROCEDURES

FPI 2-1	Authorized Business Function
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FPI 2-2	Educational Business Activities
FPI 2-3	Department of Self-Funded Activities
FPI 2-4	Sales Tax, Lodging Tax, and UBIT
FPI 2-5	Payments to Students
FPI 2-6	Moving Expenses
FPI 2-7	Federal Unreimbursable Costs
FPI 2-8	Contract Grants Revenue
FPI 2-9	Direct and Indirect Costs
FPI 2-10	Research, Survey, and Other Related Incentives
FPI 2-11	Special Course Fees Technology Fees
FPI 2-12	Continuing Education Disbursement Fund
FPI 2-13	Inventory of Consumables and Merchandise
FPI 2-14	Facilities Rentals
FPI 2-15	Personal Use of Telephones
FPI 2-16	Classification of Revenue as Gifts or Sponsored Agreements
FPI 2-17	Accounts Receivable
FPI 2-18	Honoraria
FPI 2-19	Independent Contractor
FPI 2-20	Recharge and General Operations
FPI 2-21	Uniforms and Clothing

RULE 3 CONTRACTS

- 3.1. Signature authority for contracts is governed by (a) the applicable provisions of the CSUS Fiscal Rules including, but not limited to, §1.5.3 and §3.2; (b) the Signature Delegation policy maintained in the Policy Library in the Office of Policy and Compliance; and (c) specific delegations of signature authority made by a person having the requisite authority.
- 3.2. Unauthorized contract signatures shall not bind the University to the obligations contained therein but may result in personal liability of the person(s) executing and/or approving the contract pursuant to C.R.S. §24-30-202(3).
- 3.3. Definitions:
 - 3.3.1. *Contract*: Any agreement between CSU and any other party that is enforceable under the law. All contracts should be made in the name of the Board of Governors of the Colorado State University System, acting by and through Colorado State University, for the use and benefit of the department, and another party or parties. Contracts include (but are not limited to) expenditure contracts, revenue contracts, independent services contracts, service agreements, interagency agreements, intergovernmental agreements, memorandums of understanding, grants, sub-grants, and any other form of agreement. Oral contracts are not authorized and shall not be binding against the Board of Governors or the institution. "Contract" also includes contract change orders, contract amendments, addendums and supplements.
 - 3.3.2. *Contract Value*: The amount of total expenditures required by an agreement or the amount of revenue to be realized under an agreement. The Contract Value is determined over the term of the contract and is not the amount to be expended or realized in the current fiscal year.
 - 3.3.3. *Controller Delegate*: A University employee designated by the Director of Business and Financial Services (University Controller) to sign contracts for the Controller.
 - 3.3.4. *Expenditure Contract*: A contract that ultimately results in the disbursement of funds by the University. An expenditure contract can be distinguished from a purchase order in that a contract will contain the signatures of both an authorized representative of the University and the outside party

providing service or goods (Vendor), while a purchase order will contain only the signature of a University official.

- 3.3.5. *Indemnity Agreement:* Any contract containing a clause in which the University promises to answer for claims, losses or debts of the other party, including, but not limited to, terms such as “hold harmless,” “indemnify,” and “defend”. Indemnity Agreements are not authorized except as expressly set forth by Board of Governors Policy. (A contract in which another party indemnifies the University is not an “indemnity agreement” within the meaning of this Rule).
- 3.3.6. *Revenue Contract:* A written agreement between the Board of Governors of the Colorado State University System, acting by and through Colorado State University, for the use and benefit of the department, and another party (usually the “client” or “customer”) that defines the terms under which the University will receive revenue. A contract can be distinguished from a customer purchase order by the fact that a contract will contain the signatures of both an authorized representative of the University and the customer receiving the service or goods, while a purchase order will contain only the signature of the customer. A contract may contain both revenue and expenditure provisions and is subject to all applicable provisions of this Rule.
- 3.3.7. *Legal Review:* A review of a University contract by an attorney designated by the University and, where applicable, the Attorney General of the State of Colorado, as having the requisite authority to provide such reviews (the “Reviewing Attorney”). Legal review and approval does not include a review of the sufficiency or availability of funding. Legal review examines whether the contract is in compliance with the constitution, statutes, regulations, and policies; verifies that the University has the authority to enter into the agreement; and verifies that contract language is sufficient to create a legally binding obligation.
- 3.3.8. *Vendor Contract:* Any form of contract drafted or provided by the other party.
- 3.3.9. *University Contract Form (Standard University Contract):* A contract that is accomplished using a standard form approved by a Reviewing Attorney, without modification (other than filling in the standard terms).

- 3.4. Contract Requirements - All contracts, contract change orders, contract amendments, and supplements must be in writing, and must have:

- 3.4.1. Original signatures—original signatures of individuals authorized to sign contracts for each of the parties. Unauthorized signers may be held personally liable for the obligations incurred under the terms of the contract. Original signatures must be authorized by the Signature Delegation Chart, and may be in ink or secured electronically in accordance with University policy or upon authorization by the reviewing attorney.
- 3.4.2. Effective dates—the dates on which the term of the contract begins and ends. If the contract includes a renewal clause, the date by which the renewal option must be exercised must also be included. Contracts with “evergreen clauses” are not permitted without approval of the Reviewing Attorney and the Controller (an evergreen clause is one providing that the contract will renew automatically for subsequent terms until terminated by one of the parties).
- 3.4.3. Proper identification of the parties – business entities such as corporations, partnerships, limited liability companies, etc. must be properly identified according to their registration to transact business on file with the Colorado Secretary of State. If no such registration is on file, the contract must have legal review.
- 3.4.4. Description of Consideration Exchanged – Revenue contracts shall describe the services to be provided by the University in exchange for the payments to be made. Expenditure contracts shall include the total Contract Price or not-to-exceed amount – the total amount of money that the University may be obligated to pay under the contract, either as a fixed price or as a stated maximum (not-to-exceed) amount. Contracts without a fixed price must contain terms from which the amount of the obligation actually incurred is readily determinable.
- 3.4.5. Termination clause – provisions governing the terms and conditions under which the contract may be terminated by a party, and the consequences of such termination.
- 3.4.6. Governing law clause – a provision stating that the interpretation and enforcement of the contract will be governed under Colorado law. Any governing law clause that identifies another jurisdiction’s law must have legal review.
- 3.4.7. Venue clause – a provision stating the place (state and county) in which any legal action arising out of the contract must be filed and tried. A contract containing a venue clause naming a place other than Larimer County,

Colorado, or the City and County of Denver, Colorado, must have legal review.

- 3.5. Legal Review: Legal review and approval are required for all contracts except as otherwise expressly delegated by the Reviewing Attorney. Unless otherwise specified, all University contracts subject to legal review must be submitted to either the Office of Contracting Services or the Office of General Counsel for legal review. All required external and internal approvals must be present prior to submitting a contract for legal review and subsequent approval by the Controller or the Controller's delegate. Depending on the nature of the contract, required approvals may include (in addition to the proper signatory for the Board, Reviewing Attorney, and Controller, or their respective delegates): State Buildings Program/University Architect, and the responsible authorized delegate (i.e., Vice President, Dean, Director or Department Head).
- 3.6. Standard University Contracts accomplished using forms that have been reviewed and approved by a Reviewing Attorney may not require additional legal review if the following conditions have been met: used for the intended purpose, filled out accurately and completely, not substantively modified, and within applicable Contract Values. See FPI 3-3 for circumstances under which legal review may still be required.
- 3.7. Non-standard contracts and vendor contracts will normally require legal review. These contracts should be referred to the Office of Contracting Services or attached to a purchase requisition submitted to the Procurement Services department before any obligation is assumed.
- 3.8. Expenditure Contracts - Expenditure contracts require the approval and signature by the Primary Delegate, or a Sub-Delegate approved by the President. All other approval signatures should be secured prior to submitting the contract to the Primary Delegate. Expenditure contracts must have a properly recorded encumbrance transaction in the Financial Record System.
- 3.9. Capital Construction Contracts - All original capital construction contracts, contract change orders, contract amendments, and supplements requiring a disbursement of funds must be approved by the University's delegate of the State Architect, and by the University Controller.
- 3.10. Contract Deficiencies - Any contract that is not legally sufficient will be returned to the office submitting the contract with the deficiencies noted. Upon correction of noted deficiencies, resubmit the contract for legal sufficiency review as directed by the reviewing attorney.

RELATED PROCEDURES

FPI 3-1	Revenue Contracts – Research or Service
FPI 3-2	Revenue Contracts – Use of Purchase Orders
FPI 3-3	International Agreements – Export Control
FPI 3-4	Scope of Work
FPI 3-5	Use of University Marks

RULE 4

CAPITAL CONSTRUCTION AND PROPERTY, PLANT, & EQUIPMENT

4.1. Capital property is defined as a tangible or intangible asset that can be used repeatedly without material impairment of its physical condition, has a calculable period of service of one year or more and a value exceeding the capitalization threshold. Capitalization thresholds for the University for each Category are as follows:

- Arts and Historical Collections \$10,000* per item or collection
- Building and Building Improvement \$75,000
- Equipment and Furniture \$10,000*
- Intangible Assets \$10,000*/\$50,000
- Land All acquisitions to be capitalized
- Land Improvements \$75,000
- Leasehold Improvements \$75,000
- Library Materials \$10,000*

Physical materials are capitalized;
Electronic materials are not capitalized.

- Software – purchased \$10,000*
- Software – internally developed \$50,000

*The capital asset threshold for CSU funded assets is \$10,000 or more. For purchases involving sponsor project fund (53) accounts, \$5,000 or more is used unless the contract, grant, or agreement stipulates a different amount.

4.2. The university controller establishes university policy and procedures for control and reporting of property in accordance with applicable state and federal policies and procedures. Property Management is part of the Business and Financial Services department under the direction of the university controller. Property Management is responsible for the initial recording of all property acquired by the university and for maintaining a current and accurate property system in order to comply with federal, state, and university regulations.

4.3. Due to the variance in rules and regulations across government agencies managing acquired or furnished federal property, principal investigators, division or college research directors, and contract officers must be familiar with

specific contractual requirements for properties before initiating: (i) Acquisition, (ii) Cannibalization, (iii) Disposal, including transfer or sale, (iv) Safekeeping, (v) Vesting of title, and (vi) Accountability.

- 4.4. Deans, directors, department chairs, department heads, and other university officers are assigned property for custody and responsibility. This includes property assigned for individual use or as a part of a common area. They are accountable for the control, maintenance, use, care, and protection of such property. The Principal Investigator also shares part of the responsibility for equipment.
- 4.5. This shared responsibility includes:
 - 4.5.1. Exercising reasonable care in use to prevent damage or destruction and maintaining good condition of the equipment.
 - 4.5.2. Exercising reasonable security measures to prevent loss, theft, or misuse.
 - 4.5.3. Reporting any shortage, lost, stolen, damaged, or otherwise impaired property.
 - 4.5.4. Reporting any misuse, acquisition, movement, or disposal of government property to appropriate parties, including but not limited to a direct supervisor, building proctor, or lab manager, OSP, or the DPC.
 - 4.5.5. In the case of theft of capital equipment, the department is responsible for contacting CSUPD.
- 4.6. Property Management has been assigned the responsibility for property recordkeeping, reporting of property acquisitions, inventory accounting records, verifying department property management practices by conducting periodic inventories held in cooperation with the Department Property Contract (DPC), assigning property decals (tags) to equipment, and ensuring the timeliness and accuracy of updates to the capital asset management system within the Quali Financial System. Library books, art, scientific, and museum collections are the responsibility of the respective Dean, Director or Department Head. In addition to maintaining the property database, Property Management is responsible for the financial reporting of the capital assets on the University and State financial statements and providing equipment reports for federal and non-federal contracts, agreements, and grants.
- 4.7. Property Management inventory issues are coordinated with the Department Property Contracts (DPC). The functional responsibilities of the DPC role may be

distributed among several individuals within a department. The distribution of duties may vary depending on the size and complexity of the property management needs of the department or sponsored project. DPC's carry out the day-to-day responsibilities within their department and provide guidance to department personnel concerning property matters such as acquisition, coordination of transfers, equipment at sub-recipient locations, maintenance, physical inventory (with the cooperation of Property Management), and disposal.

- 4.8. Other than land and buildings, Surplus Property has been delegated the authority and responsibility for administering the appropriate disposal method of all excess university owned property, regardless of funding or value. All government owned property shall be disposed of in accordance with the U.S. Government instructions. All U.S. Government markings and identification shall be removed or obliterated from equipment that is sold or scrapped, or upon transfer of title to the university.
- 4.9. In addition to the overall property management system, the control of property is subdivided into 10 primary life cycle outcomes. The life cycle outcomes reflect the generally sequential nature of the property management process. The outcomes describe the activities performed by CSU in each phase of the life cycle to ensure the property is prudently managed. These outcomes are:
 - 4.9.1. Acquisition: Procurement shall be initiated in accordance with policies and procedures outlined in the Procurement Manual, to ensure that acquisitions of tangible and intangible property are authorized, consistent with university accounting practices, and compliant with terms and conditions of the university, state, and sponsored projects. The Government may authorize the university to acquire property for the performance of a grant or contract. The government or other sponsors may also furnish property. The Office of Sponsored Programs, the department and/or the principal investigator are responsible for notifying Property Management of any property being furnished through a contract, agreement, or grant. The Colorado State University Foundation Office provides a monthly report to Property Management of all property received through Gift-in-Kind.
 - 4.9.2. Receipt/Identification: The receiving party determines that packages received correspond with the bill of lading and that there is no visible damage. The department is responsible for making a thorough inspection of the shipment. Once the item has been paid-in-full, Property Management will create the asset in the Quali Financial System, assign a unique

identification number, identity ownership, and (when practical) physically affix the decal on the asset. The Property Management Office is responsible for tagging all equipment for which the university is accountable. The university tag consists of six digits. Ownership can be identified by the first digit of the tag number. Sponsored-assigned markings, where applicable, are affixed per the terms and conditions of the accountable agreement.

4.9.3. Property Records: Records are retained in accordance with contract terms and university policy. Quali is the established on-line management and record-keeping system used to maintain complete, current, and auditable records of university property. Government property in the care and custody of the university will be maintained in the same university property control system. Unless otherwise stated in a contract, each record will contain, at a minimum, the following information:

- ◇ Ownership/Title
- ◇ Description/Property Classification
- ◇ Identification (manufacturer, model, serial number), if available
- ◇ Department Code/Location
- ◇ Accountable Contract Number, National Stock Number (if applicable), or Equivalent Code Designation
- ◇ Purchase or Acquisition Date and Acquisition Document Reference Number
- ◇ Posting Reference and Date of Transaction
- ◇ In Service Date and Decal Date
- ◇ Acquisition Cost (Actual or Estimated) including federal funds share of the
- ◇ Unique Identifier, such as a decal or tag number (university and, if applicable, federal)
- ◇ Condition
- ◇ Maintenance
- ◇ Disposal Method

Source data supporting property records will be available as required by the contract term.

4.9.4. Physical Inventories: A physical inventory of capital and sponsor-owned property is performed biennially unless otherwise specified in the contract. A physical inventory is also conducted upon contract completion or termination as required. Property Management notifies the Risk

Management Office of additions or deletions of major items of equipment as required for insurance purposes. The inventory process is comprised of:

- ◇ Planning/Scheduling
- ◇ Data Verification
- ◇ Inventory Reconciliation
- ◇ Reporting
- ◇ Property Closeout/Certification of Completion signed by the dean, director, department chair, or department head.

4.9.5. Subcontractor Control: Appropriate language and clauses are included in subcontracts, purchase orders or other work orders to flow down contract terms and protect the interests of the government, customer, and the university. Subcontract language should address at a minimum, the following areas:

- ◇ Acquisition and Title
- ◇ Records
- ◇ Physical Inventory
- ◇ Reports, including Lost, Damage, Destruction, or Theft (LDDT)
- ◇ Use
- ◇ Disposal Method
- ◇ Risk and Liability
- ◇ Stewardship Responsibilities

4.9.6. Consumption: Only supplies, materials, and equipment necessary for performance shall be acquired and used. The university certifies that all materials, supplies, and equipment furnished to the university by the government for use on the contract or for which the university has been or will be reimbursed by the government under the terms of the contract, if not specifically included in the inventory, were expended in performance of the work called for by the project.

4.9.7. Disposal: Surplus Property is to accomplish such disposal in compliance with financial procedures. Disposal means include the following:

- ◇ Transfer of title to another university or non-profit agency
- ◇ Processed through an inventory adjustment such as loss, cannibalization, damage, or destruction.
- ◇ Reported, delivered, scrapped, or as otherwise authorized by the contract, grant, or agreement.

- ◇ Scrapped or recycled.
 - ◇ Sold or Auctioned
 - ◇ Traded-In
 - ◇ Stolen (In the case of theft of capital equipment, the department is responsible for contacting CSUPD)
- 4.9.8. Utilization/Storage/Movement: University, federal or non-federal property whether furnished or acquired is used for the purpose it was acquired or as authorized. Reasonable measures will be taken to mitigate risks associated with the movement of property and asset records updated in accordance with established policies and procedures. The custodial department shall promptly notify Property Management of any permanent location changes of inventorial equipment. When storage is necessary, adequate precautions will be taken to ensure storage methods preserve the condition and security of the property. Temporarily idle equipment must be stored in accordance with sound practices and adequate protection. Commingling of government material with material not owned by the government is permitted only when authorized and provided government property items are clearly identifiable and supported by appropriate property control records. Otherwise, commingling is not allowed.
- 4.9.9. Maintenance: Principal Investigators are primarily responsible for ensuring maintenance is being performed on any government property in their custody. Maintenance shall be preventative in nature, providing lubrication, cleaning, calibration, and inspection on a regular schedule. Maintenance is performed to the degree necessary to maximize the useful life of property and/or as specified in the manufacturer's instructions. Records of the maintenance program shall provide the description and date of maintenance actions performed, details of inspection, and deficiencies discovered or corrected.
- 4.9.10. Property Closeout/Reports: Upon Contract completion or termination, the following actions will be promptly performed by, or under the direction of, Property Management:
- ◇ Physical Inventory of property for disposal purposes
 - ◇ Investigate, report, and resolve LDDT cases.
 - ◇ Complete disposition instructions and adjust property record as needed.
 - ◇ Submit final report for contract, grant, or agreement.

- ◇ Issue property closeout certification if needed in the contract, agreement, or grant.

Any requests or contractually required reports of government property will need to be submitted accurately and in a timely manner. These reports include:

- ◇ State and University Financial Statements
- ◇ Reports of Discrepancies
- ◇ LDDT Reports
- ◇ Physical Inventory Results
- ◇ Reports of Audit and Self Assessments
- ◇ Reports of Corrective Actions
- ◇ Other info, per terms of contract or university policies

- 4.10. Self-Assessment: Self-assessments will be performed periodically as determined by the controller, by Property Management, and in collaboration with Internal Audits. Results of the self-assessments will be made available to the sponsor or cognizant government agency upon request. CSU will perform risk assessments to evaluate the effectiveness and efficiency of its property management system. These risk assessments will be utilized to determine the property system outcomes. Because of these self-assessments, improvements may be made to the property control system and procedures. Significant deficiencies will be documented and corrected.
- 4.11. Inventory results are indicators of the overall effectiveness and level of compliance with property management processes and controls; confirm the accuracy of the property records; used as the basis for financial, stewardship, and compliance reporting; and confirm what may be considered as best practice or may be used to identify areas of potential improvements. Current equipment needs shall be periodically reviewed so that excess items may be identified. Property Management will have the departments certify inventoried equipment, under the department's control, is maintained in good working conditions and is not excess. Prompt reporting and removal of unneeded assets is desirable and necessary in order to maintain an accurate inventory of usable items, to reduce storage of unusable items, and/or to permit sale or reutilization of assets.
- 4.12. The location of each item of inventorial equipment shall be noted in the university inventory records. Current records as to movement of equipment shall be maintained in such a manner that any item of equipment can be located for inspection or inventory purposes within a reasonable time. Off campus assets

will need a loan document submitted. Equipment must be adequately protected while being moved.

4.13. Leasing and other debt: All leases must adhere to the requirements outlined in Section 8 of the Purchasing Manual.

4.13.1. Lease agreements are contractual agreements and can obligate the university in several ways. Only those individuals authorized to sign contractual agreements may approve lease agreements.

4.13.2. Lease agreement obligations must be recorded; therefore, all lease agreements must route through Procurement and the Lease Accountant in the Business and Financial Services Property Management Department.

4.13.3. All proposed lease agreements must be accompanied by a repayment plan covering the entire lease term. For External (Direct) Leases, repayment plans are submitted to the lease accountant.

4.13.4. The use of federal funds for lease payments must be in accordance with federal requirements.

4.13.5. Leased property may not be sold or otherwise disposed of prior to the termination of the agreement.

4.13.6. Any modifications of leased equipment during the lease term require prior authorization.

4.13.7. See FPI 4-8 and FPI 4-9 for more information regarding leases, lease options, and approvals.

RELATED PROCEDURES

FPI 4-1	Capitalization Thresholds
FPI 4-2	Equipment Loan/Return/Renew
FPI 4-3	Acquisition of Capital Equipment
FPI 4-4	Physical Capital Equipment Inventory
FPI 4-5	Capital and Non-Capital Equipment Disposal
FPI 4-6	Non-Capital Assets

FPI 4-7	Work in Progress (WIP) Fabrication of Equipment, Models, and Deliverables
FPI 4-8	Classification of External Lease Agreements, Rent, and Use Charges
FPI 4-9	CSURF Lease Program
FPI 4-10	Long Term Debt
FPI 4-11	Software and Internally Developed Software
FPI 4-12	Intangible Assets and Internally Generated Intangible Assets
FPI 4-13	Property Control

RULE 5 TRAVEL

- 5.1. Travel is an expense type that has public scrutiny because there can be a perception of personal benefit. Accordingly, travel charged to University accounts must have approvals demonstrating informed oversight and documentation of the primary benefit for the University. Travel must be completed using the most economical means available that will satisfactorily accomplish the University's business.
- 5.2. Colorado State University follows the travel policy of the Board of Governors of the Colorado State University system. Permitted travel expenses are determined by the CSUS Fiscal Rules and these procedures.
- 5.3. Application of Rule: This Rule applies to all employee travel. When utilizing federal funds to support such travel, the lowest cost option must be secured unless a federal regulation or requirement expressly provides otherwise. This procedure also contains provisions for non-employees and guests of the University, including recruits, group and team travel, students and student organizations. Student travel not associated with any duties as a student employee is considered non-employee travel.
- 5.4. Exemptions: There are no exemptions from this Rule. However, certain exceptions may be granted as indicated herein.
- 5.5. Approvals: All employee travel requires a Travel Authorization approval by the Fiscal Officer for the respective account and the Department Higher Authority. At the time of the Travel Authorization approval, an estimate of the anticipated travel costs must be included with the documents submitted for such approval. All employee Travel Reimbursements must be electronically approved in KFS by the traveler before reimbursement.
- 5.6. Department Higher Authority is defined as the Department Head, next higher authority or delegate. Travel for Department Heads, Deans and VPs shall be pre-approved as follows:
 - 5.6.1. Travel for Department Heads must be approved by the Dean, VP or next higher authority.
 - 5.6.2. Travel for Deans must be approved by the Provost or next higher authority.

- 5.6.3. Travel for VPs must be approved by their respective supervisor or next higher authority.
- 5.7. All international travel must have the Travel Authorization approval by the Office of Risk Management attached to the Travel Authorization as well as the Department Higher Authority's approval.
- 5.8. Non-employee travel only requires approval by the fiscal officer and must be for the benefit of the University.
- 5.9. In-state travel: A Senior Administrator may annually provide blanket authorization for the entire department, or for specific individuals in the department, for in-state travel, in the form of a memo maintained within the department and available for audit. This blanket authorization does not cover airfare for in-state travel; pre-approval is required for all airfare. If blanket authorization is not in place a Travel Authorization must be completed for each in-state trip.
- 5.10. Out-of-state travel: Pre-approval is required for all out-of-state travel. Out-of-state travel is defined as travel outside of Colorado but within the United States, including Alaska, Hawaii, and all US territories.
- 5.11. International Travel is defined as travel outside of the United States. (Note: Alaska, Hawaii and all US Territories are considered domestic, out-of-state travel, not International Travel).
- 5.12. Travel at no cost to the University: Pre-approval is required to ensure proper worker's compensation and liability coverage for the employee when traveling on University business, even if the travel costs are not paid by the University. Travelers must reimburse the University via KFS cash receipt deposit for any travel-related expenses incurred by the University and ultimately paid by another entity. NOTE: Travel expenses reimbursed by a third-party sponsor may require reporting pursuant to the University's Conflict of Interest and/or Financial Conflicts of Interest for PHS-Funded Projects policies.
- 5.13. Justification for travel: In the explanation field of all travel documents provide an adequate description of the purpose of the trip, including dates and location, project, sponsor (if any), and names of any non-employee travelers accompanying the employee traveler at University expense.
- 5.14. State Travel Card:

- 5.14.1. The State of Colorado offers all regular, full-time employee travelers a personal credit card for their official, University business travel expenses. This card is provided as a convenience for employees and should be used for appropriate expenses while traveling on CSU business.
- 5.14.2. Only CSU employees are eligible for this card. Cardholders are personally responsible for timely payment. There are no annual fees associated with this card. When possible, all travel expenses should be paid for with the State Travel Card. The State Travel Card can be used for obtaining cash advances (\$1,000 limit). Applications may be obtained from Travel Services in BFS.
- 5.14.3. When renting a car using either the State Travel Card or personal credit card, the traveler is required to use the state discount code for the rental car agency to ensure adequate insurance coverage is obtained, unless the traveler can justify rationale for not using the state discount code (i.e. no options were available in travel location).

5.15. Commercial Air Travel

- 5.15.1. Commercial Airline tickets must be purchased through the University-approved travel agencies and the agent provided with a copy of the Travel Authorization unless as stated in 5.15.5; this authorizes the travel agent to bill the ticket to CSU's "ghost card" account and insures proper coding to your account number and department. The contracted agencies are knowledgeable about state and University airline contracts, available fares and billing requirements. Choose the most economical and cost-effective fare available (except as stated in Rules 5.15.2-5.15.3 below). When an approved travel agency is used, the traveler is not required to submit a receipt for airfare with the Travel Reimbursement. See the travel web page for a list of contracted travel agencies.
- 5.15.2. Economy fare upgrades (economy plus type fares): An economy upgrade may be authorized under the circumstances listed below. Economy upgrades require pre-approval from the Business Officer (and Sponsored Programs in the case of federal funding), and documentation of the circumstances must be provided on the Travel Reimbursement. When utilizing federal funds, the lowest-cost option must be secured unless a federal regulation or requirement states otherwise. Economy fare upgrades may be allowed when:

- ◇ Only the upgraded seating is available for the necessary flights(s) and it is not reasonable (e.g., because of circuitous routing, travel during unreasonable hours or excessively prolongs travel) or cost-efficient to choose an alternative flight with a lower available fare;
 - ◇ The use of the lowest available fare would result in additional costs that would offset the transportation savings (e.g., when bag check fees added to the lowest fare make it higher than an upgrade fare); or
 - ◇ The use of an economy upgrade is necessary to reasonably accommodate a disability or medical need of a traveler, or when the scheduled flight time is greater than five hours, not including layovers. Temporary economy upgrades due to medical needs can be approved at the discretion of the Business Officer of the College or Unit. Any documentation provided for temporary accommodation should be maintained by the Business Officer in a secure location. Medical accommodations for a disability or medical need of a traveler that are non-temporary require approval by OEO. OEO, at its' discretion will make a determination of the type of upgrade necessary (economy plus or business class).
- 5.15.3. Reasonable charges for advance seat selection and checked and carry-on baggage needed for University purposes are allowable, if after these are selected it is still the most economical airfare option.
- 5.15.4. Business Class/First Class Upgrades: Upgrading to a higher fare class such as Business Class or First Class is permitted only as a medical accommodation approved by OEO or on international flights when the scheduled flight time exceeds 14 hours, not including layovers with rest time, and reasonable benefit is documented in advance and approved by the supervisor, Dean or VP and any applicable fund sponsors. When utilizing federal funds, the lowest-cost option must be secured unless a federal regulation or requirement states otherwise, and Sponsored Programs has approved the higher fare. Approval for all business/first class upgrades must be granted in writing by the University Controller.
- 5.15.5. Non-employees may purchase their own tickets and request reimbursement upon completion of the trip. Receipts are required for reimbursement when tickets are not billed directly to the University ghost card, and reimbursement cannot be made until after the trip has been completed.

5.15.6. The University permits travelers to purchase airline tickets via the Internet using their State Travel Card or a personal credit card, when the following conditions are met:

- ◇ The traveler must secure Travel Authorization approval as required by these procedures;
- ◇ There is a savings or convenience advantage between the state contracted fare, including fees, and the internet fare, including fees;
- ◇ Documentation of the fare savings or convenience advantage is included in the “notes and attachments” section on the Travel Reimbursement at the time reimbursement is requested; and
- ◇ A copy of the itinerary and internet ticket receipt is attached to the Travel Reimbursement when reimbursement is requested.

5.15.7. Reimbursement may be requested when the cost is incurred if the ticket is purchased by a University employee. If the trip is cancelled, it is the traveler’s responsibility to notify the BFS Travel Desk and to take all necessary steps to obtain a refund, make arrangements for re-use of the ticket for University business purposes at a later date, or to pay the University the amount reimbursed for the ticket where appropriate. Failure to repay the University for airfare that was refunded could result in serious consequences to the employee.

5.15.8. The traveler accepts full responsibility for making any changes to an internet ticket and is personally responsible for the change fees and difference in airfare if the changes are made for the convenience of the traveler and not necessitated by the business purpose of the travel. Justification for reimbursement of such fees and costs must be provided.

5.15.9. Baggage Fees: Most domestic and foreign airline carriers have charges for first and/or additional checked bags. Charges for checked bags and additional or excess baggage charges may only be reimbursed to travelers if they are reasonably required for official University business. Receipts are required for all baggage fees over \$25.00.

5.16. Rental Cars: Use of state-contracted rental car agencies is mandatory. Car rentals must be paid with the State Travel Card when the employee has such a card. When an infrequent traveler who does not have a State Travel Card rents a vehicle, they must use the discount code at the time of rental for the state-contracted agency, when this code is utilized the CDW (collision damage waiver)/LDW (loss damage waiver) and liability insurance is included in the

price of the rental. This applies to both employee and non-employee travelers traveling for CSU business. See the travel web page for a list of contracted rental car agencies. The type of vehicle rented shall be the lowest cost vehicle that will accomplish the purpose of the trip.

- 5.17. **Personal Vehicles:** Use of privately owned vehicles is allowed if justified and approved by the traveler's supervisor or department head. Mileage allowances are paid at the rate of 90% of the IRS mileage rate per mile for two-wheel-drive vehicles. Employees shall only be reimbursed at the mileage rate designated for four-wheel-drive vehicles (95% of the IRS mileage rate) when the use of four-wheel-drive is necessary because of road, terrain, or adverse weather conditions (justification for use of 4wd must be provided). When using a personal vehicle, the employee is fully responsible for providing insurance coverage as required by law, and assumes all risks associated with uninsured losses arising from the use of the vehicle.
- 5.18. **Transportation Service:** Reimbursement is allowed for the amount of the most cost-effective method of transportation available, including the use of a shuttle bus, van or other driving service that satisfactorily and productively accomplishes the University's business. Factors to be considered include the number of employees sharing the service, time constraints, the length of the trip, as well as other costs avoided by using the service.
- 5.18.1. Use of rideshare (Uber/Lyft) to and from Denver International Airport may be considered if it meets at least one of the following considerations:
- ◇ Non-Student or Non-Employee travel enhances or maintains the reputation of the Institution (e.g. VIP guest speaker).
 - ◇ Emergency situations such as late flights cause missed meeting, shuttle fully booked or off hours.
 - ◇ The use of rideshare is less expensive than the cost of mileage, parking fees and tolls. Additional support will be required to submit to travel services.
 - ◇ The Rideshare Consideration form can be found on the [Travel Services](#) website.
- 5.19. **Lodging:** Lodging is reimbursable at the actual cost of reasonable accommodations as supported by receipts. Self-owned lodging (cabins, trailers, campers, owned personally by the traveler) can be reimbursed up to \$25 per day, plus up to \$17.50 for meal per diem.

- 5.20. Meals: Meal reimbursements are allowed up to the maximum allowable per diem rate, and receipts are not required. Employees are allowed 75% of the applicable per diem rate on the first and last day of multiple day travel no matter what time the travel begins or ends. Day trips, which start and end on the same day, are not eligible for meal reimbursements. Daily per diem rates are for both meals and incidental expenses. Domestic per diem rates include a \$5.00 daily allowance for incidental expenses. International daily per diem rates contain an amount for incidental expenses that varies by travel destination but is approximately 20% of the total daily per diem rate. The daily incidental expense per diem is intended to be used for personal telephone calls, miscellaneous incidental tips such as bellhops and maids and other miscellaneous items. As a result, these items may not be separately reimbursed. The University will use the per diem rates established by the state controller and those rates will be published on the [Travel Services](#) website. Note: per diem reimbursement is not available for meals actually paid from University funds (such as in an Authorized Business function or by a third party conference host).
- 5.21. Other Transportation: Bus or train travel to a destination served by commercial airline service is permitted as long as the costs do not exceed the costs for the same trip by commercial airline.
- 5.22. When such modes of travel are chosen for the convenience of the traveler, amounts claimed for lodging, meals and other miscellaneous expenses are limited to the equivalent of those that would be incurred if commercial airline travel was used instead.
- 5.23. Chartered, Leased or Rented, and Privately Owned Aircraft:
- 5.23.1. Privately owned, leased or rented aircraft piloted by University employees may not be used for University travel.
- 5.23.2. The use of a chartered aircraft may be appropriate when such means of travel is reasonably necessary for the Authorized Business purposes of the institution, and not merely for the personal benefit and convenience of the traveler. Aircraft may only be chartered for one of the following purposes, and only if the use of the chartered aircraft is more economical, efficient and productive than commercial airline travel. All such chartered travel shall be requested and approved through the completion of the Chartered Trip Approval Form:
- ◇ Athletic Team Travel

- ◇ Student Athlete Recruiting
- ◇ Coach Recruiting
- ◇ Other University purposes, when specifically approved, in advance, by the President's Office. Such approval shall be documented prior to travel. In the event an employee's request to travel via chartered aircraft is disallowed under this section or selected as the preferred travel venue, the employee may choose to charter such an aircraft at their own risk, liability and cost. Reimbursement for such airfare will be based upon the reasonable cost of commercial airfare for the same trip, in accordance with the Commercial Air Travel provisions herein.

5.23.3. In considering whether chartered aircraft travel is more economical, efficient and productive than commercial airline travel, factors include: cost and availability of commercial flights; the sum of all travelling costs by commercial carrier; multiple destinations required on the same trip; number of people traveling; time and schedule constraints; whether or not a significant reduction of non-productive travel time will be experienced in comparison to flying commercially; resources of the department responsible for the costs of travel; and the necessity of avoiding missed classes for students who are traveling.

5.23.4. In the case of athletic recruiting, above, the Deputy Director of Athletics must approve in writing the use of a chartered aircraft in advance by signing the respective Chartered Trip Approval Form. All charter airline services shall be provided by vendors selected through an approved procurement process, unless an emergency procurement action is authorized under the CSU Procurement Rules and such pre-approved vendors are not available. Any such travel shall be paid by CSU from either Athletic Auxiliary or donated gift funds held in a 26 or 64 account. Such travel can be paid for in its entirety by a private source (excluding payments made by or through the Colorado State University Foundation or Colorado State University Research Foundation).

5.23.5. In the case of coach recruiting or "other University purposes", above, any such travel requests shall be approved, in advance, by the President's Office. In the event the trip involves donors or potential donors, such travel requests shall also be approved, in advance, by the Vice President for Advancement. All approvals shall be documented via the Chartered Trip Travel Form. Such written requests shall document how such charter aircraft travel is more economical, efficient and productive than commercial airline travel. Any

such travel, whether for academic, athletic or other University purposes shall be paid for from donated funds held in a 64 account or such travel shall be paid for in its entirety by a private source which excludes payments made by or through CSUF and CSURF. In addition to donated or private support, Coach Recruiting may also be paid for by Athletic Auxiliary funds held in a 26 account.

5.24. Family and Guest Travel: Spouses, children and other non-employee guests of University employees may only travel at the expense of the University as invited guests of the University, when reasonable and necessary for purposes of University business or development. The fair market value of spousal travel will be reported as taxable income to the employee unless the spouse is performing bona fide business duties on behalf of the University for which the travel is necessary and the appropriate forms documenting such purposes are reviewed and approved prior to travel. The fair market value of travel for children of University employees will always be reported as taxable income. Accompaniment by spouse, children or non-employee guests who are not essential to the business purpose of the travel shall not justify use of a charter due to unavailability of seats on a commercial flight.

5.25. Other Travel Expenses include:

- ◇ Commercial transportation (taxis, buses), receipts required for each ride over \$25.
- ◇ Parking fees, receipts required if over \$25.
- ◇ State travel card transaction charges and traveler's check charges, receipts required if over \$25.
- ◇ Toll road charges.
- ◇ Telephone, fax or similar charges.
- ◇ Camping site fees, receipt required if over \$25.
- ◇ Conference registration fees, receipt or other positive proof of payment required regardless of amount.
- ◇ Laundry services when trip is 7 days or longer. Receipts are required if over \$25.00.

5.26. Non-reimbursable Expenses include:

- ◇ Alcohol and entertainment (No Authorized Business Function expenses are allowed on the Travel Reimbursement document; see FPI 2-1 for more information).

- ◇ Personal expenses (personal hygiene items, magazines, movie rentals, childcare, etc.).
- ◇ Travel insurance paid by the traveler, including: 1) additional or supplementary insurance for rental cars including collision damage waiver/loss damage waiver when utilizing one of the state-contracted agencies; 2) value premiums on airline tickets; 3) trip cancellation insurance; 4) personal accident insurance on rented vehicles; 6) supplemental life insurance for airline or common carrier travel (Unless insurance is necessary for International car rentals—see instructions under International Travel).
- ◇ Traffic fines and parking tickets.
- ◇ Most costs related to accidents, thefts, damage or losses.
- ◇ Personal, political, social, or otherwise unofficial University business expenses or costs paid or reimbursed from another source.
- ◇ Costs for spouses, family or friends accompanying the traveler except as stated in 5.24.
- ◇ Economy Class upgrades are not reimbursable except as stated in 5.15.2, 5.15.3 or 5.15.4.
- ◇ Self Service Car Sharing Companies (e.g., Turo, Zipcar).

5.27. **Missing Receipts:** As detailed above, certain travel expenses require a receipt for reimbursement. If a traveler has lost an original receipt and it is not possible to obtain a copy, the Travel Reimbursement Missing Receipt Documentation must be completed. The form must be filled out completely and signed by the traveler and the approving authority. The form is available on the Travel Web page under Applications and Forms. There is no “blanket” approval for missing receipts. For expenses listed above that do not require a receipt, the expense is to be clearly identified in the expense report.

5.28. Taxability of Travel Reimbursements

5.28.1. The University’s travel policy has been developed to meet the IRS definition of an accountable plan. Under IRS rules, employee travel does not have to be reported as income as long as reimbursement requests have been submitted for reimbursement within 60 days after the expense was incurred. After 60 days, travel expenses are required to be included as taxable wages. The 60-day time starts on the last day of travel and ends when the traveler approves their travel in the University’s travel system in Quali.

5.29. Group, Team and Student Travel

5.29.1. The following special provisions apply to groups of students or non-employees (study abroad, participant training, student organizations, exchange programs, and the teams within the Department of Intercollegiate Athletics):

- ◇ A regular, paid University employee must be designated as the leader or sponsor for each group, accepting responsibility for all accounting aspects of the trip and will show his or her name as the traveler on all forms, along with an identifying group name. In addition, a complete list of participating group members must be attached to all forms. Submit only one form for each trip or group.
- ◇ When possible, advances should be obtained using the State Travel Card of the designated leader. If a manual advance is needed, prepare only one Travel Authorization requesting a travel advance for a group or trip. See the Travel web page for additional information about advances.
- ◇ One Travel Reimbursement should be submitted by the designated leader or sponsor, to claim reimbursement for all outstanding expenses and reconciled with any advanced funds. All disbursements made directly from the designated leader or sponsor to group members (for meals, etc.) must be documented with a list of the recipients, the amount provided and the recipient's signature acknowledging receipt. Special lodging and meal allowances may apply to Intercollegiate Athletics teams as governed by NCAA regulations.
- ◇ Other than students traveling with Athletics, students may travel on official University business only under one of the following designations: 1) as an Authorized Volunteer; or 2) with a Student Organization.
- ◇ Students may travel as an Authorized Volunteer: at the request of the University, under the control of the University, and for the benefit of the University.
- ◇ Travel must be authorized in advance by the appropriate Supervisor, and for Authorized Volunteers, must be approved by the appropriate leader or sponsor (must be a CSU employee). The benefit and primary purpose to the University must be documented. Individual approvals are required for each trip and annual authorizations are not allowed.

While a student organization in itself cannot be an authorized volunteer, individual members may be classified as such if their travel meets all criteria of this procedure. The University only provides liability insurance protection on the use of Transportation Services vehicles consistent with the destination and purpose of the documented travel. No liability protection is provided for any personal or other unauthorized use of a vehicle. Thus, even if the vehicle is being used primarily for an authorized purpose, protection does not exist as to any deviations from the designated purpose or destination, such as running personal errands, transporting family members, or visiting friends. Furthermore, no such protection is afforded where any use of a vehicle involves willful and wanton behavior, such as driving recklessly or under the influence of alcohol or other substances that impair judgment. Substances such as these are not allowed in University vehicles at any time.

- ◇ Student Organizations: Travel is permitted when necessary to the organizational purpose, approved by the organization's internal expenditure authorization process, and within the guidelines of Group Travel. However, unless an individual's travel falls under the guidelines for Authorized Volunteers, no liability insurance protection from the University is provided, nor will "governmental immunity" status exist. For that reason, use of individual Transportation Services vehicles is disallowed for students who are not authorized volunteers. (Renting a bus chauffeured by a certified Transportation Services driver is acceptable.) Rental vehicles can be arranged, but insurance coverage provisions should be closely examined, with additional insurance purchased when necessary to protect the travelers, the organization, and the University. (Collision/Damage/Loss protection (CDL) must normally be purchased.)

5.30. Travel Advances

- 5.30.1. Travel advances shall be obtained by using the state travel card whenever possible. Travel advances may be requested if the travel advance cannot be obtained from the travel card.
- 5.30.2. Travel advances may be requested by CSU employees or CSU students using the Travel Authorization in KFS. Travel advances may not be issued to non-employees and non-students. The Controller's office will take any

appropriate action to assure that each travel advance received from the University is repaid within 60 days after the conclusion of the authorized travel.

5.31. International Travel: The following special provisions apply to international travel:

5.31.1. Use of federal grant funds requires travelers to comply with the “Fly America Act” using only “US Flag” commercial carriers. It is acceptable if the tickets are purchased from a US flag carrier, but the flight is contracted to a non-domestic carrier for the actual plane and flight crew. Some grants may further stipulate maximum lodging and/or per diem rates or impose other requirements. It is the responsibility of the Department and the traveler to understand these special requirements.

5.31.2. Liability coverage normally provided by the rental car company does not carry forward to non-domestic locations. For international rentals, liability coverage (not collision damage and loss waiver) should be purchased, and is reimbursable. Check with the Office of Risk Management and Insurance before purchasing a rental car outside of the U.S.

5.31.3. Foreign Visitors: Federal reporting and withholding regulations exist for payments to foreign visitors. Holders of B-2 visas are prohibited from receiving payments of any kind. Obtain the visa type and number of any foreign visitors and reference it on all travel reimbursements. Contact the Foreign Tax Administrator’s Office (970-491-3538) prior to arranging payments for a foreign national. Failure to comply with all University, state and federal requirements puts at risk the ability for the individual to receive reimbursement and the reputation of the University.

5.31.4. It is highly recommended that travelers review US State department travel advisories, as travel to certain countries may be discouraged, restricted, or forbidden. Information can be obtained at the [Travel.State.Gov](https://travel.state.gov) website.

5.32. Short Term Housing

5.32.1. Employees and/or students conducting business in remote areas outside of a commuting distance may require short term housing paid for by the University. This short term housing, defined as greater than 30 days and less than 9 months, includes any reasonable and necessary rental costs for residential space. The employee and/or student are deemed in travel status during this rental period and are required to have the same requirements of Travel Authorizations and Travel Reimbursements as any other travel. For

expenditures that are not paid by grant funds, and are directly reimbursed to the traveler, attach support (i.e. invoice or bill) to the travel documents. If the University is to pay the lessor directly, this will be processed on a Disbursement Voucher with the attached support. All other travel related expenses will be captured on the Travel Authorization and Travel Reimbursement.

5.32.2. Employees and/or students conducting sponsored research in remote areas outside of a commuting distance may require short term housing paid for by the University. This short term housing, defined as greater than 30 days and less than 9 months, includes any reasonable and necessary rental costs for residential space. The employee and/or student are deemed in travel status during this rental period and are required to have the same requirements of Travel Authorizations and Travel Reimbursements as any other travel. The short term housing expenditures are to be paid by grant funds awarded with sponsor-approved line items for such costs and the actual payment of the rent for this housing is done on a Disbursement Voucher (DV) paid directly to the lessor of the housing. The following are the steps required for short term housing payments:

5.32.3. Leases for short term housing shall be signed by the employee or student. Payment of the lease by the University does not imply any obligation for the lease by CSU.

5.32.4. Any security deposits are required to be paid from unrestricted departmental funds (13-19, and 26 funds). Security deposits paid back to the student/employee by the lessor are required to be repaid to the department by the employee/student at the end of the term of the rental agreement. The student/employee shall also repay any amounts charged against the deposit by the lessor on account of damages caused by the lessee, other than normal wear and tear. It is the department's responsibility to ensure that the amount is repaid, and any uncollected amount must be reported to the Controller.

5.33. Additional Information: For additional detail, and specific procedures for obtaining reimbursement, refer to FPI 5-1, the Travel web page, the Pocket Guide for Travel, the Quick Reference Guide to University Travel and the TEM Guides on the [Travel Services](#) website.

RELATED PROCEDURES

FPI 5-1	Travel Procedures
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RULE 6

CASH AND CREDIT

- 6.1. BFS shall develop and maintain adequate procedures for cash handling and credit card processing. Credit card procedures are required to keep the University in compliance with PCIDSS rules and any other laws and regulations applicable to the University.
- 6.2. Banking:
 - 6.2.1. All bank accounts and investment accounts that hold public funds of the University must be authorized by the Board of Governors. Bank account balances shall be limited to the minimum amount necessary to be consistent with legal requirements and operating efficiency.
 - 6.2.2. Funds that are received by the University shall be timely deposited or electronically directed, in accordance with University fiscal procedures.
 - 6.2.3. Bank transactions are processed through Business and Financial Services, with the exception of approved, off-site imprest bank accounts. Business and Financial Services issues University checks, initiates wire transfers, and releases ACH transactions.
- 6.3. Change funds and petty cash funds may be established based on written approval by Business and Financial Services. The approval shall state the purpose of the fund and contain justification for the amount requested.
- 6.4. Change funds shall only be used for making change when cash receipts are accepted from the public. No expenditures of any kind shall be authorized from a change fund.
- 6.5. Petty cash funds shall only be used for payment of incidental expenses of a nominal amount not otherwise appropriately billed by invoice.
- 6.6. The University shall assess a reasonable charge against any person that issues a payment to the University that is returned for insufficient funds.
- 6.7. Business and Financial Services will allocate interest earnings to all University accounts with cash transactions that are eligible to receive interest earnings.
- 6.8. Credit card acceptance must be done through a merchant account approved by Business and Financial Services. University merchants are required to abide by all card brand rules and regulations. All applicable merchant processing fees are

the responsibility of the department and are distributed by Business and Financial Services.

- 6.8.1. University merchants are not allowed to apply any type of surcharge to an e-commerce, retail or MOTO credit card payment transaction.

RELATED PROCEDURES

FPI 6-1	Receipt and Deposit of Cash and Checks
FPI 6-2	Petty Cash & Change Funds
FPI 6-3	Credit Card Merchant Accounts
FPI 6-4	Incoming Electronic Payments
FPI 6-5	Wire Transfers
FPI 6-6	PCI Compliance Programs
FPI 6-7	Distribution of Interest Earnings
FPI 6-8	Special Operations Imprest Account

RULE 7

FINANCIAL COMMITMENTS

CARRYFORWARD AND DESIGNATED FUTURE COMMITMENTS

- 7.1. This policy governs carryforward of unexpended year-end balances for designated future commitments (DFCs) including faculty start-up and retention packages, other college/unit commitments, and multi-year priority projects. It also covers the appropriate use of plant fund accounts.
 - 7.1.1. Up to 1.5% of unexpended year-end balances in the combined EG (13) and RARSP (16) subfunds may be carried forward into the new fiscal year, without restriction, to fund college and unit priorities (the “carryforward limit”). This percentage is subject to change at the discretion of the Chief Financial Officer, Provost/Executive Vice President and the President. No encumbrances are included in the calculations. This policy also applies to the Professional Veterinary Medicine PVM (14) subfund and to the CSU Agencies’ EXPSTA (15), EXTEN (17) and CSFS (19) subfunds. The carryforward limit is calculated on the current budget plus interdepartmental credits (object codes 4800-4999) which are a reduction to expense for budget purposes for the General Fund appropriations (EG, PVM, EXPSTA, RARSP, EXTEN and CSFS) subfunds.
 - 7.1.2. Should a college or vice-presidential unit end the year with a negative balance available (current budget minus actual expenses), the deficit balance will be reinstated to the college/VP unit as part of the carryforward process.
 - 7.1.3. If a department has an outstanding loan, be aware that the current budget is inflated; consequently, the current budget amount will be reduced by the current loan balance to accurately reflect the available balance. The Office of Budgets processes year-end entries to reflect this adjustment and it is then reinstated after the new fiscal year begins.
 - 7.1.4. Except as provided below in the DFC process, amounts in excess of the carryforward limit will be swept for reallocation by the Chief Financial Officer or Provost/Executive Vice President to meet university one-time needs and commitments.
- 7.2. Exceptions to Carryforward-DFC Rule

- 7.2.1. Unexpended year-end balances in excess of the carryforward limit may be retained for certain specific purposes. Examples of specific purposes that have generally been reviewed favorably for Designated Future Commitments (DFCs) are faculty startups, certain other non-base department/unit commitments, and multi-year priority projects – although none of these is automatic. Requests for DFCs must be specific as to University Strategic Plan (USP), goal, purpose, outcome and amount. DFC requests must be submitted by the Dean or Vice President/Vice Provost through the Office of Budgets for review by the Chief Financial Officer and the Provost/Executive Vice President.
- 7.2.2. A request form will be provided to each business officer of each college and Vice President to complete and facilitate the request process and to ensure consistent and complete information. They are responsible for disseminating and coordinating with their departments. Please submit requests electronically to the Office of Budgets.

7.3. Faculty Start-up and Retention Packages

- 7.3.1. Start-up packages provide one-time enhancement funding for new and replacement faculty. Start-ups for existing/replacement (attrition) faculty are funded by colleges, departments, and the Vice President for Research (VPR) (for example, as a 1:1:1 distribution. This distribution will vary depending upon the specific circumstances).
- 7.3.2. Requests to set aside college/department year-end funds over the carryforward limit for start-ups should be accompanied by talent management system documentation showing an existing search or faculty offer letter, if applicable, or documentation that a faculty hire has been approved by the dean to be executed in the fiscal year indicated subject to available salary and startup dollars. Indicate the retiring or resigning faculty member that is being replaced, if that is the situation; if it is a new additional faculty member, the source of the new salary dollars (e.g. 236 funds, cluster hire, etc.) should be noted.
- 7.3.3. Typical faculty, department head and chair start-up packages are limited to three or fewer fiscal years unless extenuating circumstances are shown and approved by the Provost/EVP. Funds requested for start-ups in out years (not the upcoming FY) will be held centrally in the University Strategic Reserves (RESERV 75 subfund) (see Multiyear Priority Projects/Purposes below). Any college or department start-up funds that remain unspent at

year-end will automatically be subject to the carryforward limit unless a specific request to extend the remaining balance/commitment into the new fiscal year has been approved by the Provost/Executive Vice President. All unspent start-up funds provided by the Vice President for Research (VPR) revert to the Office of the VPR.

7.3.4. On occasion, start-ups are provided for new or promoted administrators. These are typically funded centrally or by the Provost/EVP, assigned a specific time limit, and transferred to the college or unit on an “as needed” basis. Unspent balances at year-end will be included in the carryforward limit unless a request to extend the funding and the commitment into the new fiscal year has been approved as described above.

7.3.5. Retention packages including one-time funding may be provided to faculty with critical retention issues. DFCs for retention packages may be requested if the faculty member is unable to spend out the one-time funding provided in the current fiscal year. Unspent balances at year-end will be included in the carryforward limit unless a request to extend the funding and the commitment into the new fiscal year has been approved as described above.

7.4. College/Unit Commitments Not Including Start-ups

(Note: These funds are expected to be spent out in the next fiscal year.)

If approved, colleges and units may retain available funds for use in the following fiscal year to achieve specific goals in the University Strategic Plan or to provide for defined emergencies. Approved DFCs are expected to be spent by the end of the following fiscal year in accordance with the timeline designated in the DFC request. Any funds that remain unexpended will be swept to Central Administration’s Budget or funding entity for reallocation unless an exception is approved.

7.5. Multiyear Priority Projects/Purposes

Subject to approval, colleges and units may set aside available funds over the carryforward limit for special projects or purposes that require multi-year accumulations. Examples include major equipment acquisitions, building construction and renovations, or any significant undertaking where a multi-year accumulation of funding will be necessary. Except for unusual circumstances, the accumulation period will be limited to three consecutive fiscal years for a proposed total of at least \$50,000. Each request must fully describe the project and be linked to one or more USP goals. Once approved, the

funds requested for multiyear priority projects/purposes will be transferred to the University Strategic Reserve (RESERV 75 subfund) and remain there until the acquisition can be accomplished or project draws can begin. Any residual balance will be swept to Central for reallocation.

7.6. Appropriate Use of Plant Fund Accounts

Plant fund transfers must be related to a specific project that has already been approved for funding and has an established plant fund project account.

Transfers can be made to Plant Fund project accounts for any projects that meet the criteria for Plant Fund Expenditures (e.g. facilities projects and the purchase of large equipment items). Plant fund transfers should be strategically planned for and completed prior to June 30th in any given fiscal year. Projects over \$100,000 require advance approval from the Vice President for University Operations and/or the Operations Committee of Cabinet. Allow enough time for the approval process and for the creation and approval of a plant fund (project) account in Quali.

7.7. Institutional Financial Commitments

7.7.1. Definition of Financial Commitment

(i). A “financial commitment” for purposes of this policy is a commitment beyond the current fiscal year to fund a program, project, equipment purchases or other obligation of a business unit (i.e., a college, vice president division, or department) to another business unit within or external to the same college or division, in an amount exceeding \$50,000 for all fiscal years combined. It does not include routine, current-year operating expenses.

(ii). Examples of financial commitments include:

- Offer letter
- Startup or retention package
- Specialized equipment purchase
- Multi-year capital lease
- Matching funds on external grants

7.7.2. Financial commitments must be adequately and contemporaneously documented by the funding unit. Adequate documentation includes, at a minimum:

- (i). A name and description of the program, project, startup or other planned expenditure;
- (ii). The amount of the obligation for the current fiscal year and each future fiscal year;
- (iii). The source(s) of funding that will be used to meet the obligation in each fiscal year, including DFCs, with account number(s);
- (iv). Information as to whether the obligation is binding (for example, for salary) or contingent upon future revenues.

7.7.3. In conjunction with the annual attestation letter signed by the dean or vice president, each college and VP division will provide a list of its future year commitments containing the information listed above to the Chief Financial Officer. The attestation will include a statement that to date, to the best of the knowledge of the dean or vice president and the respective unit Chief Business Officer, the list of commitments is accurate and complete, and that the dean or VP either anticipates having the resources to fulfill the commitment or has the ability to defer the commitment.

7.7.4. Responsibilities and Procedures for Financial Commitments

7.7.4.1. Department/Unit Heads:

- (i). Evaluate the requests for resources to ensure it fits with long- and short-term goals of the unit, college/division and university's mission and strategic plan.
- (ii). Consult with the college/unit business officer to determine whether resources are available and sustainable to meet the request.
- (iii). The unit head should then present the resource request to the Dean/division head for further evaluation and support to ensure that it does not compete with college or divisional priorities or commitments that have been made.

7.7.4.2. Deans and Division Heads:

- (i). Review the request applying the same criteria as above. The college/division business officer must be an integral part of this review.
- (ii). A determination must be made as to whether the commitment can be met internally. If resources are to be requested from a source

external to the unit, the fully executed commitment form must accompany the funding request form.

7.7.4.3. All executed commitment forms must be retained in the department, college or division business office, as appropriate, for a period of three years after the commitment has been fully paid or terminated and provided upon request by any central administrative unit or Internal Audit.

7.7.5. A sample institutional commitment form is provided in FPI 7-1.

RELATED PROCEDURES

FPI 7-1	Financial Commitments
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RULE 8 REPORTING

8.1 Reserved.

RULE 9

PAYROLL

- 9.1. Pay Dates: CSU pay dates are determined by the State Controller's office. Hourly employees are paid on a bi-weekly basis every other Friday and salaried employees are paid on a monthly basis on the last state business day of the month. If an hourly pay date falls on a state holiday, the pay date will be moved to the preceding business day.
- 9.2. Direct Deposit:
 - 9.2.1. Definition: Direct Deposit Payroll Program - A payroll program where an employee's net pay is deposited directly to the employee's legally established bank account via an electronic fund transfer system.
 - 9.2.2. Direct deposit is a condition of employment at Colorado State University. All employees paid either monthly or bi-weekly on the CSU payroll system shall be on the direct deposit payroll program.
- 9.3. All employees must provide acknowledgement through signature of the CSU Direct Deposit Authorization form, that electronic payments to the bank designated on the direct deposit form must comply with the provision of U.S. Law and the Office of Foreign Assets Control (OFAC) and funds deposited into such bank account will not be credited in their entirety to a foreign bank account.

RULE 10

RECORDS RETENTION

Rule 10 Records Retention is rescinded effective December 13, 2024 and is replaced by the Official Policy of the university under [Records Retention Policy #5-6001-005](#).