

UNIVERSITY OF ST THOMAS PURCHASING AND PAYABLES POLICY

Updated: October 2021

Contact purchasing@stthomas.edu or accountspay@stthomas.edu with questions.

PURPOSE.....	3
APPLICABILITY	3
VENDOR SELECTION.....	3
I. OVERVIEW.....	3
II. INTERNAL VENDORS	3
III. PREFERRED VENDORS.....	4
IV. OTHER VENDORS.....	4
SUSTAINABLE PURCHASING POLICY	5
SOURCING (BIDDING) AND NEGOTIATION	7
I. SOURCING (BIDDING) REQUIREMENTS.....	7
II. SOURCING (BIDDING) AWARDS.....	8
CONTRACT REVIEW, APPROVAL AND EXECUTION	8
I. CONTRACTING RESPONSIBILITY AND AUTHORITY	8
II. RECORDKEEPING	9
III. USE OF UST DEVELOPED MASTER AND TEMPLATE AGREEMENTS.....	9
SALES TAX EXEMPTION	9
INDEPENDENT CONTRACTORS.....	10
I. DEFINITION OF AN INDEPENDENT CONTRACTOR.....	10
II. INDEPENDENT CONTRACTOR / EMPLOYEE CLASSIFICATION.....	10
III. PAYMENTS AND REIMBURSEMENTS TO INDEPENDENT CONTRACTORS.....	10
PAYMENT OF EXPENSES INCURRED FOR UST BUSINESS	11
I. DIRECT PAYMENT METHODS	11
II. REIMBURSABLE EXPENSES	12
III. METHODS OF REIMBURSEMENT	12
IV. SUBSTANTIATION	13
V. REVIEW PROCESS.....	13
TRAVEL PURCHASE POLICY	14
I. PREFERRED TRAVEL VENDORS.....	14
II. TRAVEL EXPENSES	14
III. TRAVEL CONSIDERATIONS.....	17
OTHER UST EXPENSES.....	19
DISALLOWED EXPENSES	21

PURPOSE:

- Obtain the best possible value for UST in all purchasing decisions
- Ensure compliance with applicable laws, regulations, financial controls, and other applicable standards, such as generally accepted accounting principles (GAAP)
- Build ethical vendor partnerships in alignment with the UST mission and convictions
- Effectively mitigate risk to the University

APPLICABILITY:

This policy applies to all UST employees (faculty, staff, and student workers), student clubs and organizations (including individuals acting on their behalf), students, and any entities for which the University acts as fiscal agent. This policy covers the spectrum of purchasing and payables activities including but not limited to:

- Purchase of any goods or services on behalf of UST
- Entering into contracts to obtain goods or services (including but not limited to the engagement of independent contractors, speakers, and performers)
- Negotiations, bidding, vendor selection, and management
- Requests for payment or reimbursement
- Travel arrangements in connection with UST activities
- Use of UST-sponsored credit cards, such as the UST Wells Fargo Visa
- Donations, sponsorships, and/or gifts made on behalf of UST

VENDOR SELECTION

I. OVERVIEW

UST has a range of vendor options depending on the category of purchase. UST generally contracts with three categories of vendors: internal vendors, preferred vendors, and other vendors. Where UST has identified internal or preferred vendors for a particular category of goods and services, those vendors must be used unless an exception is approved by Purchasing Services. There are established policies for vendor selection as detailed below.

Any company or person selling goods or providing services to the University is considered a “vendor.” This includes individuals operating as Independent Contractors, such as consultants, guest speakers, referees and/or entertainers, as well as companies and professional services firms.

II. INTERNAL VENDORS

UST has determined to provide internally certain goods and services, such as catering and printing, where UST has resources and expertise and can provide the goods and services cost-effectively. The purchase of these goods and services from an external vendor will not be

approved and may not be expensed or reimbursed without a written pre-decline from the internal service.

III. PREFERRED VENDORS

To ensure that excellent price, quality, and service options are readily available to meet UST needs that cannot be addressed internally, UST or an approved purchasing consortium including UST has reviewed a group of competitive external vendors for categories of goods and services that are widely utilized across UST. "Preferred Vendors" have been selected following a competitive bidding process. This vendor consolidation and selection of Preferred Vendors benefits UST by:

1. Leveraging UST volume to ensure best pricing options
2. Minimizing administrative costs related to vendor management including: vendor set-up and maintenance; check processing; tax documentation; and mailing expenses
3. Allowing UST to maintain greater control over brand usage and identity
4. Reducing time spent by departments to conduct market research in these categories, allowing them to focus on their main business objectives
5. Reviewing and determining the sustainability strategy and objectives of the vendor

To view the goods and services for which a Preferred Vendor must be used, please visit the Preferred Vendors section of the UST Purchasing and Payables website and in eBuy&Pay. All purchases in these categories must be made using the preferred vendors.

IV. OTHER VENDORS

If purchasing needs are outside the scope of goods and services offered by UST internal and preferred vendors, Purchasing Services will work with schools and departments to identify and evaluate potential exceptions and, if appropriate, approve the purchase of goods and services from other vendors, pursuant to an appropriate contract approved by Purchasing Services. If you cannot obtain the goods and services you need from an internal or preferred vendor and require assistance to identify potential new vendors, please contact Purchasing Services.

Departments must submit new vendor requests through the Vendor Setup Form in eBuy&Pay for review and approval. Contact Purchasing Services for more details about how to setup a vendor.

SUSTAINABLE PURCHASING POLICY

The University of St. Thomas is committed to stewardship of the environment. In support of the president's climate commitment to achieve carbon neutrality and the university's strategic plan, the goal of this policy is to reduce the adverse environmental impact of our purchasing decisions consistent with these principles:

1. minimize the consumption of nonreplaceable natural resources by reviewing current and proposed future usage and evaluating the pros and cons of alternatives,
2. seek alternatives to products and processes that are detrimental to the environment and human health by using more environmentally friendly products and processes,
3. minimize waste, including any packaging, waste produced by the product (or service),
4. maximize the reuse and recycling of materials and stimulate demand for environmentally friendly products and services.

I. IT EQUIPMENT:

1. All desktop computers, notebooks/laptops, monitors/displays, and imaging equipment purchased must meet all Electronic Product Environmental Assessment Tool (EPEAT) environmental criteria designated as "gold" as contained in the IEEE 1680 Standard for Environmental Assessment of Personal Computer Products.
2. Copiers and printers purchased shall be compatible with the use of recycled content and remanufactured products.
3. Every effort shall be made to require suppliers (or source resellers) of electronic equipment, including but not limited to computers, monitors, printers, and copiers to take back equipment for reuse or environmentally safe recycling.

II. FURNITURE, FIXTURES AND EQUIPMENT

1. Water-using appliances and fixtures shall meet the US EPA WaterSense certification when available and practicable. This includes, but is not limited to, high performance fixtures like toilets, low-flow faucets and aerators, and irrigation systems.
2. Electrical products purchased by St. Thomas shall meet the US EPA Energy Star certification when available and practicable.
3. When acquiring or replacing inefficient interior or exterior lighting, energy efficient equipment shall be purchased.
4. When maintaining buildings, products such as paint, carpeting, adhesives, furniture and casework with the lowest amount of volatile organic compounds (VOCs), highest recycled content, and low or no formaldehyde shall be used when practicable.
5. Carpet distributors and/or manufacturers of carpet installed at the university shall have a carpet recycling plan that is approved by Facilities Management.

III. CHEMICALLY INTENSIVE PRODUCTS AND SERVICES

1. Cleaning solvents should be biodegradable, phosphate free and biobased when their use will not compromise quality of service or safety of campus environments.
3. All surfactants and detergents used shall be readily biodegradable and shall not contain phosphates when practical.
4. Whenever possible, products and equipment should not contain lead or mercury. For products that contain lead or mercury, preference is for products with lower quantities of these metals and for suppliers with established lead and mercury recovery programs.
5. The university will use an integrated pest management program. Setting action thresholds, monitoring and identifying pests, using methods of prevention both physical and mechanical, followed by control with environmentally friendly products is the preferred method. The least toxic pest control substance or method will be purchased and used only as last resort, or when health and safety of individuals is a concern.

IV. FOOD SERVICE PROVIDERS

1. Biobased plastic products certified as compostable by BPI or the equivalent (such as bags, film, food and beverage containers, and cutlery) will be purchased by the university and/or used by contracted suppliers when practical.
2. Compostable plastic products shall meet American Society for Testing and Materials (ASTM) standards as found in ASTM D6400-04. Biodegradable plastics used on paper and other compostable substrates shall meet ASTM D6868-03 standards when practical.
3. Products that are durable, long lasting, reusable, or refillable are preferred when feasible.
4. Minimize the purchase of single-use, non-recyclable or non-compostable products.

V. CONSUMABLE OFFICE PRODUCTS

1. Recycled, recyclable and compostable products will be promoted through supplier descriptions in eProcurement tools and used when practical.
2. Thirty per cent postconsumer waste recycled paper (higher recycled content encouraged) for all applications shall be the standard except when higher quality papers are required.
3. Paper, paper products, and construction products made from nonwood, plant-based contents such as agricultural crops and residues are encouraged.
4. Purchase or use of previously used or salvaged wood and wood products are encouraged.
5. Packaging that is reusable, recyclable, or compostable is preferred as is eliminating

packaging or using minimum packaging for product protection as is practicable.

VI. TRANSPORTATION AND FUELS

2. Departments purchasing university vehicles will be required to consider vehicles with a low-carbon path including plug-in electric vehicles (PEVs) and plug-in hybrid electric vehicles (PHEVs). Fuels made from plant based content are encouraged.
3. Travelers are encouraged to take the most economical and environmentally friendly forms of transportation including; walking, shuttle services and public transportation when available and practicable.

Sustainable Exceptions

These policies are designed to do the most good for the resources expended. When the cost of following the policies outweighs their benefits, a variance/waiver may be requested through Purchasing (purchasing@stthomas.edu). The AVP for Procurement has the authority to waive any requirement of this policy.

SOURCING (BIDDING) AND NEGOTIATION

To ensure UST is receiving the best possible value for goods and services, formal bidding within the UST bidding system is required for purchases of goods or services as detailed below.

I. SOURCING (BIDDING) REQUIREMENTS

1. Bids are required for all purchases over \$5K. There are some category exemptions including but not limited to: utilities, legal services, public relations, sponsored program awards, and software renewal.
 - a. This amount applies to the aggregate purchase amount covered by the contract, regardless if the orders/payments are expected to occur over time.
 - b. Payment type has no bearing on bid requirements.
 - c. Exceptions may be approved by Purchasing Services in limited situations based on the specific facts and circumstances (e.g., equipment that must match already owned equipment or a single source provider situation).
 - d. Sole Source purchases are allowed for externally sponsored programs when the prime award specifies a subawardee identified by a State or Federal granting authority.
2. Minimum of three vendors must be included in the bid process.
 - a. To ensure fair and competitive bidding and to maximize the savings/value to the University, a minimum of three (3) vendors must be invited to provide bids.
 - b. A greater number may be used if desired.

3. Preferred vendors must be used for preferred vendor categories.
 - b. If the category does not have preferred vendors, qualified external vendors may be selected. Any exceptions from preferred vendor use in a preferred vendor category must be approved by Purchasing Services.
4. UST bidding system must be used.
 - a. Use of the UST bidding system is required to ensure bid compliance, maintenance of appropriate records, and the efficient compilation and analysis of costs.
 - b. Use of the UST bidding system also reduces processing time and increases ease of requesting and receiving bids.

II. SOURCING (BIDDING) AWARDS

1. Bids should be awarded to the lowest bidder unless there are compelling reasons to accept a higher bid, such as quality, service, compatibility with existing equipment, and similar reasons.
2. For complex projects, a detailed cost-benefit analysis should be undertaken before awarding a bid, taking these and other appropriate considerations into account.
3. Awarding a bid to a higher priced vendor must be approved by Purchasing Services.

Assistance in the bidding and negotiations process is available from the Purchasing Services team. Please email purchasing@stthomas.edu for assistance.

CONTRACT REVIEW, APPROVAL AND EXECUTION

I. CONTRACTING RESPONSIBILITY AND AUTHORITY:

Unless authority is specifically delegated to another party in writing in accordance with the UST contracts policy, the UST Purchasing Services Department (“Purchasing Services”) is responsible for the preparation, review, approval, acceptance, and execution (signature) of all

contracts to purchase goods and services, in accordance with established university policies and procedures. This ensures:

1. Compliance with applicable state and federal laws and regulations
2. Compliance with UST policies and procedures
3. Appropriate documentation and recordkeeping of contract terms and conditions

Contracts come in many forms and may be called by various names including, but not limited to, agreement, quote, estimate, terms and conditions, purchase terms, statement of work, memorandum of agreement, letter of agreement, or letter of intent. Contracts may be oral or written, and written contracts may or may not require a signature to bind the parties to the contract.

Contact Purchasing Services at the earliest stage in any purchasing and contract process to aid in a smooth contract development, review and approval process. Please e-mail purchasing.contracts@stthomas.edu for all your contract needs.

UST requires a written contract for most purchases of goods and services that are not de minimis in value, including (but not limited to) the engagement of entertainers, speakers, and other independent contractors.

II. RECORDKEEPING:

All written contracts for the purchase of goods and services, regardless of dollar value, origination (vendor or UST), or signature authority, must be sent to Purchasing Services to ensure centralized document retention at UST. Purchasing Services will store all contracts in accordance with the UST record retention policy and schedules.

III. USE OF UST DEVELOPED MASTER AND TEMPLATE AGREEMENTS:

To help make the contracting process efficient, Purchasing Services has established contract templates for common contracting situations, as well as master agreements with most preferred vendors of UST. Any proposed revisions, amendments, or new terms and conditions to the templates and master agreements require review and approval by Purchasing Services, whether offered or requested by you or the other party.

SALES TAX EXEMPTION

UST has tax-exempt status in Minnesota and is eligible for a sales tax exemption in connection with the purchase of many goods and services. The UST sales tax exemption must be utilized when it is available in connection with the purchase of goods and services. In order to utilize the sales tax exemption, you must use a University credit card or university check (subsequent to a requisition/purchase order process). The UST sales tax-exempt number may only be used for UST purchases. The UST sales tax exemption may not be applied to personal methods of payment (personal checks, credit cards, or cash) even if the purchase is being made on behalf of UST.

INDEPENDENT CONTRACTORS

I. DEFINITION OF AN INDEPENDENT CONTRACTOR

Independent contractors are those entities or persons who provide a product or service to UST but are not employees or units of UST.

Services typically provided by an independent contractor include, but are not limited to:

- Consulting
- Entertainment

- Game Officials
- Technical Services
- Other Professional Services

II. INDEPENDENT CONTRACTOR / EMPLOYEE CLASSIFICATION

Individuals providing services to the University may be designated as either an employee or an independent contractor. The classification depends on a number of factors determined by applicable law and regulations.

Prior to entering into any goods or services contract with an individual or sole proprietor, UST must determine whether the individual is appropriately classified as an employee or independent contractor. The independent contractor portion of the vendor set-up process found in eBuy&Pay

The preparation, approval and execution of contracts must comply with the contract section of the UST Purchasing and Payables Policy.

should be filled in completely by the department to clearly identify the business reason for hiring the independent contractor. The determination of an independent contractor versus an employee will then be made by Purchasing Services in consultation with Human Resources and the Office of General Counsel. Contractor agreements may need to be amended based on the decisions made by Purchasing Services.

Written contracts are required to document the terms and conditions for the hiring of any person or entity (typically for \$1K or greater) to provide goods and/or services to UST. This also applies to independent contractors, such as guest speakers and consultants.

Contracts are required for any dollar amount for co-curricular speakers, performers, and entertainers.

III. PAYMENTS AND REIMBURSEMENTS TO INDEPENDENT CONTRACTORS

Any fees for services or reimbursements paid to an independent contractor must be paid directly to the independent contractor based on the information provided on the independent contractor's Form W-9.

1. A UST employee will not be reimbursed if the employee personally makes payments to an independent contractor.
2. Independent contractors' fees including any reimbursements cannot be paid to another person or entity.

To request payment for services provided by an independent contractor, please submit the

payment request along with a signed contract to Accounts Payable. Payments made to international visitors require additional documentation and may be subject to federal tax withholding. For more information, see the Controller's Office for policies and procedures pertaining to international visitors. Please follow the payment request process outlined on the Purchasing and Payables website.

PAYMENT OF EXPENSES INCURRED FOR UST BUSINESS

UST will pay for reasonable, necessary, and actually incurred expenses for authorized UST business. All payments will be made in compliance with the Internal Revenue Service's (IRS) Code and Regulations and UST policies.

I. DIRECT PAYMENT METHODS

While several methods exist for the payment of UST business expenses, each has specific procedures, restrictions, and conditions which must be followed. Direct methods of payment are preferred and should be used in majority of purchasing activities for compliance and taxation purposes.

1. Check or Electronic Payments: eBuy&Pay Requisitions/Purchase Orders; and Payment Requests

- a. UST provides and maintains the eBuy&Pay system to facilitate the easy requisitioning and purchasing of university materials.
- c. This is a *preferred method* for purchasing goods and services and should be used for the majority of UST purchases.
- d. Non-PO invoices, independent contractor payment requests, and check requests should be made through eBuy&Pay payment request form
- e. Appropriate substantiation is required for all university expenses (invoices, receipts, or check request substantiation)

2. UST Wells Fargo Program (Credit Card Payment)

- a. Preferred method for goods purchases under \$5K.
- b. All employees who engage in business travel on behalf of UST are encouraged to apply for a UST-sponsored credit card. Employees may use this card for all UST-sponsored business travel expenses.
- c. Employees who spend greater than \$500 per year of university funds must use the UST Wells Fargo Program rather than reimbursement.
- d. Please see Wells Fargo Program information for application, program details and terms.

3. Student-Initiated Check Request

- a. Due to restrictions of eBuy&Pay, student payment requests must be made on a manual form located on the Purchasing & Payables website.

4. Non-Compliant or Exception Payment Request

- a. In rare/exception circumstances and with the pre-approval of purchasing or accounts payable, departments may use the manual Non-Compliant /Exception Payment

Request form located on the Purchasing & Payables website.

5. Wire Transfer

- a. Wire transfers are typically used for international payments when a check or credit card process is not accepted. All wire transfer requests must be approved by a Budget Manager and President's Cabinet member. For more information, see the Purchasing and Payables website for the Wire Transfer Request process.

II. REIMBURSABLE EXPENSES

Though not preferred, at times, it is necessary for faculty, staff, and students to purchase small amounts of goods and/or services using personal methods of payment. In such cases, it is UST policy to reimburse employees and students for all expenses that are reasonable, necessary, and actually incurred for authorized, legitimate UST business.

Prior to making any such purchases or payments, employees should take steps to use other preferred direct methods of payment for business expenses, such as obtaining a university credit card, or using eBuy&Pay for requisitions, purchase orders, and payment requests. Faculty and staff members with reimbursements of greater than \$500 per year will be required to obtain and/or use a university credit card and use it for all applicable university transactions.

Reimbursement requests must be made through eBuy&Pay or (for students only) with the manual payment form located on the Purchasing & Payables website.

Category Specific Guidance for Reimbursements

Goods and Services

UST has competitively bid and contracted vendors for most materials and supplies.

Departments must use preferred vendors for the purchase of goods and services in order to maximize savings to the university and ensure compliance with tax guidelines. Rapid delivery options will meet most all faculty, staff, and student needs.

On rare occasions (such as while traveling or in last-minute emergencies), faculty and staff may purchase office supplies for business purposes (totaling under \$250) on a university credit card or personal payment method and be reimbursed.

Payments to Individuals or Independent Contractors

Payments to an individual or independent contractor are not reimbursable.

III. METHODS OF REIMBURSEMENT

1. Employee Reimbursement

- a. UST will reimburse business expenses incurred using cash, a personal check, or a credit card paid from personal funds, if the expenses were incurred in accordance with UST policies.
- b. Employees may not make payment to an individual (domestic or foreign) from personal funds and seek reimbursement. Occasional exceptions may occur while traveling internationally and should be discussed with Purchasing Services in advance to ensure the expenditure is appropriate and reimbursable.

2. Student Reimbursements

- a. Students may be reimbursed for UST expenses that have been appropriately approved and documented as required by UST policy.

3. Prepaid Expenses (Employee Only)

- a. In limited circumstances, reimbursements may be requested and made prior to the business expense being incurred or completed (for example: travel may be booked months before the trip, in which case reimbursement may be obtained prior to the occurrence of the trip). This method may also be used when assigning expense to the appropriate fiscal year. For more information, please see the Prepaid Expense Request process.

4. Cash Advance (Employee Only)

- a. Cash advances may be extended to employees involved with foreign travel, group/team travel, and student travel. Group travel for UST is defined as students traveling with one or more faculty or staff member on the same trip. (Group travel is not defined as a group of employees traveling together.) See the Purchasing and Payables website for more information about the Cash Advance Request process.

For more information on requesting reimbursements, see Reimbursement Request Process for submission of expenses.

IV. SUBSTANTIATION

If the expenses of an employee are not substantiated with original detailed receipts and descriptions of business purpose within 60 days of the purchase, the purchase amount may need to be included as income on the employee's IRS Form W-2.

Original detailed receipts are not required for purchases under \$75 on university credit cards, with the exception of itemized hotel receipts and/or grant spending, where all receipts are required.

The payment transaction on a UST-issued credit card for expenses under \$75 is considered documentary evidence by the IRS and the detailed receipt is not necessary.

V. REVIEW PROCESS

A reimbursement request or university credit card reconciliation must be completed in order for an employee or student to be reimbursed and for expenses to be considered business expenses. At least two distinct approvals are needed on employee spending: the employee's and the person authorizing the expenses. This generally is the employee's supervisor or the budget manager. Requests for reimbursement must be submitted promptly. Reimbursement of expenses submitted after 60 days from the date they were incurred generally will be considered income and added to an employee's IRS Form W-2. If an employee is incurring expenses authorized by a different department from which he or she works, the employee must obtain the approval of the person authorizing such expenses.

A critical review of a business expense will be made by the departmental approver and Accounts Payable to ascertain that the expense is necessary and reasonable to the functioning of UST. Accounts Payable may ask for additional substantiation to establish a reasonable and necessary business purpose. UST complies with IRS standards and guidelines for an accountable reimbursement plan which allows UST to maintain tax-exempt status for certain expenses.

TRAVEL PURCHASE POLICY

This travel purchase policy applies to any transportation to or from any activity located outside of the UST Minneapolis or St. Paul campuses, whether local, domestic, or international. Business travel does not include transport between the Minneapolis and St. Paul campuses.

I. PREFERRED TRAVEL VENDORS

All individual and group travel eligible for reimbursement by UST employees (faculty, staff, and student workers) and students for air, ground transportation, and hotel (except conference hotels) must be booked with preferred travel vendors. Use of the preferred vendor ensures that UST receives the best overall value and provides additional flexibility in case of travel changes.

II. TRAVEL EXPENSES

1. Air Transportation

a. Preferred Vendors

Employees are required to purchase airline tickets through the preferred agencies. The purchase of airline tickets should be made as far in advance as possible to take advantage of maximum discounts available.

b. Personal Aircraft

UST travelers are prohibited from traveling in their own or rented personal aircraft when on UST business.

c. Airline Reservations

For domestic travel, UST will pay or reimburse coach or economy class travel only. When traveling internationally, UST will reimburse business class travel. (International travel is defined as travel outside of North America, not including Canada, Bahamas, Cuba, Mexico, or the Caribbean.) Upgrades and flight insurance are not covered by UST.

d. *Saturday Night Stays*

Saturday night stays are encouraged when it results in significant airline fare reductions. UST will cover lodging and meals relating to Saturday stays, not to exceed airfare savings. Travelers must fully document the cost/benefit of staying over a Saturday night.

e. *Frequent Flyer Miles*

Frequent flyer miles earned while traveling on UST business belong to the employee. However, preference of airlines by employees to attain mileage incentives should in no way influence the employee to accept a higher fare. Personal frequent flyer vouchers used for UST business trips are not reimbursable.

f. *Canceled Air Travel*

In the event a trip is canceled, the UST preferred travel agency retains the ticketing information for reuse by that individual for UST business purposes. The individual must document business reason for cancellation and make every effort to reuse the ticket.

2. Lodging

a. *Preferred*

Reservations for business trips must be made through a preferred travel agency with the exception of unique academic lodging situations including but not limited to monasteries, hostels, flats, and tents/campsites. Corporate and consortium rates for major hotel chains are available.

The following lodging incidental expenses are acceptable with documentation:

- i. Laundry bills on business trips extending beyond seven (7) business days
- ii. Internet connectivity charges
- iii. In-room dining (in alignment with meal expenses)
- iv. Reasonable tips for bell and housekeeping staff

3. Ground Transportation

Travelers are expected to exercise prudence in their selection of transportation, both for local and non-local travel.

a. *Car Rental*

Arrangements for rental cars may be made through a preferred travel agency. UST will pay or reimburse only for standard or compact car rates, unless a group traveling together for business requires a larger vehicle. Automobile rentals are subject to the following guidelines:

- i. Do not accept additional car rental insurance if traveling domestically; UST provides insurance coverage. International rentals will require the purchase of insurance. Travelers should only purchase car rental insurance when traveling internationally.

- ii. Do not accept advance purchase fuel. Return the rental car to the agency with a full tank.
- iii. Submit the agreement as well as receipts to Accounts Payable.
- iv. Mileage is not reimbursed in addition to the car rental charge and gasoline charges.

There are often restrictions for travelers under the age of 25. Travelers under age 25 should inform the reservation agent of their age when making car rental reservations.

b. University Vehicle Use

Employees may use a University fleet vehicle, if available, if the employee has an appropriate driver's license and driver approval from UST. Fleet vehicles may be obtained through Public Safety and Parking Services. When using a UST vehicle for business, travel, fuel, and oil expenses will be covered at the actual cost, not the mileage rate. In addition, traffic violations are the responsibility of the employee.

c. Buses, Taxis and other Ground Transportation

Buses, taxis, and other ground transportation fees are covered while traveling to/from valid UST events and conferences, both local and non-local.

d. Personal Car Use

- i. A personal car may be used when it is the most practical and economical method of transportation. Normally, economical personal car use applies to trips within 300 miles (one-way) of the employee's workplace.
- ii. Employees using their personal automobile for business travel will be reimbursed at the standard IRS mileage reimbursement rate rather than for actual expenses. See the Purchasing and Payables website for the mileage reimbursement rate.
- iii. Employees using their own cars for UST business are obligated for damages to their car and liability for injuries/damages sustained by third parties.

4. Meal and Entertainment Charges, Local and Non-Local

UST will pay the reasonable costs for meals and business-related entertainment (breakfast, lunch, and dinner) for UST employees and students traveling on UST business. If related to a legitimate UST business purpose, UST also will pay for local meals and entertainment of one or more guests, provided such expenses are reasonable and appropriate. The cost of meals and entertainment includes taxes and tips. UST will pay market-appropriate gratuities and suggests 15% for meals.

5. Communications Charges

All business-related WiFi, telephone, fax, computer, and postage costs incurred during the business travel are allowed expenses. Travelers should use economical means of communication.

6. Currency Conversion Fees

Any conversion fees incurred while on business travel in a foreign country are allowed expenses.

7. Parking and Tolls

- a. Employees may park at the airport or at an airport park-and-ride for a maximum of three days.
- b. Employees may leave their car at UST free of charge while traveling on UST business, provided the car is registered with Parking Services.
- c. Tolls and parking fees are reimbursable regardless of the type of vehicle used.

8. Rail

- a. The cost of first-class railroad fare is covered provided it does not exceed the cost of coach airfare.
- b. Travelers who choose to use rail instead of available commercial air service will not be reimbursed for food or lodging expenses that would have been avoided by using commercial air.

9. Registration Fees

UST covers registration fees for conferences and seminars with a legitimate business connection if approved by the employee's supervisor and any other approval process applicable to the employee's department.

III. TRAVEL CONSIDERATIONS

1. Local Travel

When traveling to/from local events, per IRS guidelines, UST will only cover expenses between the employee's main office location and the event or home to the event, whichever is less.

2. Team Travel

Athletic team travel and travel by coaches and athletic staff may be subject to NCAA rules and regulations. Such travel must be authorized by the designated staff member and appropriate budget person in the Athletics Department.

3. Grant Travel

Travel funded through grants is subject to applicable regulations and/or the terms and conditions of the grant agreement and other regulations. All spending requires receipts – no exceptions in any payment type.

4. Student Travel

Students and student clubs and organizations traveling on behalf of UST and incurring reimbursable expenses are subject to the policies in the Student Club

Handbook. Students should book and pay for their own travel. From time to time on an exceptions basis (depending on the particular facts and circumstances), UST pays for student travel, in which case students should work with Purchasing Services prior to the trip.

5. Personal Travel

Travelers may combine personal travel with UST travel as long as the official trip serves a valid UST purpose. The employee must pay any and all additional costs of the personal portions of the trip with a personal method of payment. A university credit card should not be used for personal expenses while traveling. The employee also has full responsibility and liability for any events that occur during personal portions of the trip. (Saturday night stays for the benefit of UST are not considered personal travel.)

6. Foreign Travel

The IRS has specific, complex rules pertaining to foreign travel when combined with personal travel. There will be greater documentation required when submitting an Employee Expense Report requesting foreign travel expenses to be reimbursed. Specifically, for trips in excess of seven (7) days, employees must attach an itinerary or agenda showing the daily details and business purpose of travel, including any dates for personal travel. If personal travel is included with business travel, a portion of the reimbursed air travel expense may be taxable to the employee.

7. Travel with UST Colleagues

Employees should normally pay for their own business travel with a university credit card and may not pay for the travel of other employees when they are not traveling together. When employees are traveling together, one employee may pay for the business travel (airfare, lodging, ground transportation, and meals) of other UST employees provided that they use a university credit card and that the person making the payment is the most senior person traveling. Please be aware that TSA closely monitors personal information, so be sure you book all airfare with exact traveler names. Exceptions must be pre-approved by Purchasing Services.

8. Spousal/Family Travel

In general, the expenses of a spouse, family, or others accompanying the business traveler are not reimbursable. UST will not reimburse a spouse's or other family member's expenses when the spouse or family member has no significant role or performs only incidental duties. When a spouse or family member who attends a function has a significant role in the proceedings or is involved with fundraising activities, this constitutes a valid UST business purpose. Prior to travel, such expenses must be approved by the appropriate member of the President's Senior Staff. The spousal travel reimbursement rules are covered under IRS rules and regulations and generally require greater documentation.

OTHER UST EXPENSES

1. Alcohol

Alcohol purchases will be paid or reimbursed by UST only in accordance with the UST Alcohol Policy. Generally, alcohol served at a UST-sponsored event, either on or off campus, will be paid or reimbursed only if a “Request to Serve/Use Alcoholic Beverages” form was submitted and approved by Catering Services prior to the event. Expense payment or reimbursement requests should include appropriate substantiation of the cost and approval through Catering Services.

The "Request to Serve/Use Alcoholic Beverages" form is not needed for reasonable alcohol charges from a business meal.

2. Memberships and Subscriptions

UST pays for memberships and subscriptions when there is an appropriate business purpose. This includes memberships in professional organizations or subscriptions to professional magazines that are in the employee’s name. Country club memberships must be approved by the Provost or President. If UST reimburses club dues and other membership costs to a UST employee, the personal use percentage of such costs must be included in the employee’s taxable income per IRS guidelines. Contact the Controller’s Office Senior Tax Accountant for general guidance on documenting personal and business usage of club memberships.

3. Floral Purchase and Tributes

In situations involving death of a family member, Human Resources will make floral purchases for tributes or memorials on behalf of UST. Please direct any question regarding tributes to Human Resources. Individual or departmental tributes, other than those originating from Human Resources, are at the expense of the individual and not reimbursed by UST.

4. Gifts for Individuals Not Employed by UST

Floral purchases for individuals outside UST will be covered for a legitimate business purpose provided that the appropriate documentation and substantiation is provided. The substantiation must clearly state the necessary business purpose. Gifts of any kind to UST suppliers are prohibited.

5. Faculty and Staff Recognition Events and Gifts

The University supports a range of efforts to recognize employees. Reasonable and occasional recognition events for faculty and staff are considered valid business expenses by the University. Employee recognition or departure gifts may be provided when approved by a President’s Senior Staff member for the employee who would receive the gift and must be purchased in UST campus or online stores. Any items not purchased through UST must also be reviewed by the Controller’s Office to determine any tax consequences to the recipient.

- *Holiday Parties*
UST hosts annual parties that all employees are invited to attend, including the President's Christmas party. Departments may have recognition events during the year, however departmental Christmas parties are disallowed in favor of the UST-wide celebration.
- *Retirement Gifts*
Alumni & Constituent Relations works with supervisors to purchase retirement gifts for faculty who are retiring from employment. Please direct any questions pertaining to retirement gifts to Alumni & Constituent Relations.

Any exceptions to gift policies must be approved by the Vice President for Business Affairs and a President's Senior Staff member for the employee recipient.

6. Fellowships, Scholarships, and Grants

Fellowships, scholarships, or grants awarded to individuals should generally not be processed through Accounts Payable. Please connect with Financial Aid to process these payments.

7. Moving Expenses

A new employee may be eligible for reimbursement of moving expenses. Moving expenses are reimbursed under the Moving Expense Program. Please contact the Controller's Office for more information.

8. Charitable Contributions

Any request for contributions to be made to an outside charitable organization must be paid directly by UST and approved by the appropriate President's Senior Staff member.

9. Job Candidate Reimbursements

On a case by case basis, UST reimburses job candidates for reasonable expenses incurred in connection with on-campus interviews and recruiting events sponsored by UST. In most cases, the job candidate is responsible for payment of his or her travel arrangements and may then seek reimbursement. A complete IRS form W-9, valid receipts, and a payment address are required. Expenses must be reimbursed directly to the job candidate. An employee may not pay the expenses of a job candidate and later be reimbursed.

10. Gifts & Gift Cards

DISALLOWED EXPENSES

The following items are listed to illustrate those types of expenses that UST does not consider to be legitimate business expenses. This listing is not intended to be all-inclusive.

- Portion of air or train travel, auto rental, mileage, hotel costs, or meals for personal use
 - Bus costs or mileage between a traveler's home and UST
 - Mileage between the Minneapolis and St. Paul campuses; UST shuttle should be used
 - All travel insurance (domestic car rental, flight etc.) with the exception of international car rental insurance which must be purchased
 - Upgrades (air, hotel, car, etc.)
 - Frequent Flyer tickets
 - Airline club memberships
 - Costs incurred by failure to cancel reservations
 - Parking tickets, traffic violations, or personal automobile repairs
 - Airport parking in excess of three (3) business days
 - Car rental fuel fees (for not returning tank full)
 - Liquor store purchases or store-purchased liquor
 - In-room bars and alcohol
 - Personal entertainment, in-room movies, video rentals, laundry
 - Personal expenses including haircuts, shoe shines, saunas, massages and health club fees
 - Furniture, fixtures, file cabinets or shelving, equipment, carpet, paint, wallpaper, or other building or remodeling goods and services
 - Appliances/Small Appliances such as: space heaters; refrigerators; microwave ovens; toaster ovens; and toasters
-
- Babysitter fees, kennel costs, pet or house-sitting fees
 - Personal vehicle expenses, such as gas, oil, repairs, etc.
 - Home phone lines, DSL services, cable or internet access except as approved through the Remote Access Program detailed on the Controller's Office website
 - Flowers for employees, except from Human Resources for a funeral or memorial
 - Gifts to employees and departing employees except as otherwise described in this policy
 - Payment to a third party for services rendered or reimbursement of expenses
 - Credit card delinquency fees or finance charges

CONTACT US:

For any questions regarding this policy or any procedures to be followed, please contact Purchasing Services.

Website: <http://www.stthomas.edu/purchasing>

Email: purchasing@stthomas.edu, purchasing_contracts@stthomas.edu, or accountspay@stthomas.edu