



UNIVERSITY OF NORTHERN COLORADO

FISCAL RULES

Effective July 1, 2012

Revised, March 17, 2015

Revised, April 2, 2015

Revised, September 10, 2015

Revised, July 1, 2017

Revised, October 2, 2017

TABLE OF CONTENTS

Adoption of University of Northern Colorado Fiscal Rules	3
Scope of Rules	4
Definitions	5
Chapter 1 Accounting	9
Chapter 2 Expenditures	11
Chapter 3 Contracts	17
Chapter 4 Capital Construction	20
Chapter 5 Travel	22
Chapter 6 Cash	27
Chapter 7 Budget	29
Chapter 8 Reporting	30
Chapter 9 Payroll	32
Selected Authorities	33

ADOPTION OF UNIVERSITY OF NORTHERN COLORADO FISCAL RULES

On June 8, 2012, the Board of Trustees of the University of Northern Colorado (“Board”), pursuant to C.R.S. §24-30-202(13(b)), determined that existing fiscal policies and practices of the University of Northern Colorado (“University”) and the Fiscal Rules (“Rules”) stated herein provide adequate safeguards for the proper expenditure of the monies of the University. Accordingly, the Board elected to exempt the University from the fiscal rules promulgated by the State Controller and adopted these Rules effective July 1, 2012.

These Fiscal Rules were revised on March 17, 2015 to clarify that contracts for the provision of student scholarships and/or financial aid are not Expenditure Contract as defined herein.

These Fiscal Rules were revised on April 2, 2015 to remove the requirement under paragraph 3.2.2 of the Controller’s signature on expenditure contracts.

These Fiscal Rules were revised on September 10, 2015 to clarify air travel to alternate destinations (see paragraphs 5.6.7.3.2 and 5.6.7.3.3).

These Fiscal Rules were revised on July 1, 2017 to update the definition of Equipment and the Commitment Voucher threshold (see paragraph 2.1.2).

These Fiscal Rules were revised on October 2, 2017 to allow for delegation of the legal review of contracts (see paragraph 3.7).

SCOPE OF RULES

These Rules are applicable to all University employees and officials, and any representative of the University authorized to conduct official University business. These Rules govern any transaction of any kind and in any medium that involves the commitment or expenditure of University monies or resources or the assumption of liabilities (either actual or potential) by the University. These Rules are to be implemented together with applicable state and federal laws and regulations and University Board Policies and Regulations. Should a conflict exist between applicable state and federal laws and regulations and these Rules, applicable state and federal laws shall supersede these Rules. The University Chief Financial Officer (“CFO”) has final authority to interpret these Rules. The CFO may also, in his/her discretion, delegate his/her responsibilities under any provision of these Rules to one or more University employees, provided that (1) such delegation is in a writing signed by the CFO, (2) describes the specific responsibility or responsibilities delegated by the CFO and (3) is revocable by the CFO at any time and for any reason.

The CFO, upon approval by the President of the University, may, from time to time, amend these Rules as reasonable and necessary to continue to provide adequate safeguards for the proper expenditure of University monies and resources.

DEFINITIONS

Unless otherwise stated in these Rules:

“Advance Payment” means a payment made for goods and/or services prior to the receipt thereof.

“After the Fact Purchase” means a liability incurred or payment made on the University’s behalf before a Commitment Voucher required under these Rules has been issued and approved by a University employee authorized to act with respect to the liability and/or payment.

“Approving Official” means an individual who has authority to approve travel for University business and related matters.

“Board” means the Board of Trustees of the University of Northern Colorado.

“Capital Construction” means a Capital Construction Project or Controlled Maintenance Project funded in whole or in part by the state Capital Construction Fund created pursuant to C.R.S. §24-75-302 or by any cash resources of the University.

“Capital Construction Fund” means a fund created by statute for the purpose of purchasing and/or maintaining land, buildings and equipment and for constructing buildings for use by the State of Colorado.

“Capital Construction Project” means a construction project in an amount in excess of \$100,000 funded in whole or in part by funds from the State Capital Construction Fund created pursuant to C.R.S. §24-75-302.

“CFO” means the Chief Financial Officer of the University of Northern Colorado.

“COFRS” means the Colorado Financial Reporting System, a financial information system that maintains the official accounting records for the State of Colorado government.

“Commitment Voucher” means a document for the purpose of pre-authorizing procurement and encumbering funds for payment, the form of which has been approved by the University Executive Director of Purchasing & Contracts, that describes: (a) the goods or services being purchased or other reasons for the disbursement of funds; (b) the amount to be paid; (c) the appropriate account to which the obligation of the University is being charged; and (d) that procurement requirements have been satisfied with respect to the disbursement of funds. Commitment Vouchers include, but are not limited to, any approved form of Purchase Order, University Contract, travel authorization, Advice of Employment, or License Agreement. Procurement cards and check requests are not Commitment Vouchers.

“Controlled Maintenance Project” means a maintenance project funded in whole or in part by funds from the State Capital Construction Fund.

“Cost Objective” means a specific program or activity for which segregated cost data is externally required or desirable for internal financial reporting. Cost objectives are identified by the CFO.

“Debt Contract” means any financial obligation reported in the University’s Financial Statements under generally accepted accounting principles and includes, without limitation, contracts for revenue bonds, lease purchases and other multi-year transactions with third parties.

“Delegate” means a University employee delegated to act for or represent another in the course of employment.

“Emergency” means an unexpected event creating an immediate threat to the health, welfare, or safety of the public or the University community, the functioning of the University, or the preservation or protection of University property, which event requires an immediate response.

“Emergency Procurement” means a disbursement for goods and/or services necessary to respond to an Emergency and made upon presentation of invoices, receipts, or other statements describing the goods and/or services purchased and the amount to be paid.

“Encumbrance” means an amount reserved on the University financial system or accounting system to reflect a formal obligation of the University. When required by University accounting procedures, the University shall encumber funds prior to recording expenditures and disbursing funds.

“Equipment” means any tangible personal property that has a useful life greater than one (1) year and a cost of \$10,000 or more, which is not a permanent part of a building and does not lose its identity through incorporation into a more complex unit.

“Expenditure Contract” means any University Contract, other than a contract for the provision of student scholarships and/or financial aid, in which University monies and/or resources are expended or a financial obligation is created on the part of the University.

“Financial Reports” means financial information of the University compiled periodically to assist in management decision-making or for reasons other than financial statement purposes.

“Financial Statements” means comprehensive reports of the University prepared in accordance with generally accepted accounting principles, as adopted by the Governmental Accounting Standards Board.

“Honorarium” means a payment in recognition of acts or professional services by an outside entity.

“Incidental Expenses” means fees and tips given to porters, baggage carriers, bellhops, hotel maids, and skycaps for airport check-in, and cost of personal telephone calls.

“Indirect Cost” means a cost incurred that is necessary for the general operation of the University but does not exclusively benefit and cannot be readily identified with a Cost Objective and therefore shall be allocated to Cost Objectives on some basis of assumed service/benefit or other equitable distribution basis.

“Indirect Cost Allocation” means a systematic and rational allocation of Indirect Costs to benefiting programs and activities that result in the calculation of an Indirect Costs recovery rate or the identification of the amount of Indirect Costs assigned to the benefiting program for cost recovery purposes and/or to establish appropriations and fees.

“Indirect Cost Recovery” means money received by the University in reimbursement for indirect costs in support of a grant, contract or other externally funded program

“Official Function” means a meeting, conference, meal, or other function that is hosted by the President, or another appropriate representative of the University, attended by guests and/or University employees, and held for official University business purposes.

“Perquisite” means an incidental payment, benefit, privilege, or advantage that is not part of a University employee’s regular income, salary, or wages, authorized expense reimbursement, or approved supplemental pay and does not include incentive awards, salary increases, fringe benefits established pursuant to C.R.S. §24-50-104(8) and (9), or any other employment benefit authorized by state statute, these Rules, or resolution of the Board.

“Price Contract” means a contract between the University and a third party, which allows the University to order goods or services from the third party, pursuant to the terms of the contract, by purchase order or other approved order form.

“Professional Services Contract” means a University Contract between the University and a third party for the performance of any of the following services: architectural, engineering, land surveying, industrial hygienist, and landscape architect.

“Purchase Order” means a document, the form of which has been approved by the University Executive Director of Purchasing & Contracts, prepared and approved by an authorized University employee for the purpose of pre-authorizing a procurement,

encumbering funds and securing goods and/or services from a vendor. For the purpose of these Rules, a Purchase Order is not a University Contract.

“Rules” means the University of Northern Colorado Fiscal Rules, as they may be amended from time to time.

“State” means the State of Colorado.

“Temporary Work Location” means a location where employment is expected to continue, and does continue, for one year or less.

“Training Function” means a meeting, conference, or other function which is hosted by the University, attended by customers of the University and/or University employees, and held to enhance staff knowledge and/or to educate customers of the University or University employees that are affected by the University's operations or regulations. Training Functions shall have a written agenda or schedule, substantive written materials, and be led by an identified presenter.

“Travel Advance” means funds advanced by the University to a Traveler for approved travel expenses.

“Traveler” means a University employee, official or student who receives required approvals to travel on University business.

“University” means the University of Northern Colorado.

“University Contract” means any formal, legally binding document between the University and another person or entity, the form, content and process for approval of which is described in Chapter 3 of these Rules. A University Contract that meets the requirements of Chapter 3 of these Rules shall constitute a Commitment Voucher.

A **“writing”** or **“in writing,”** means, unless expressly stated otherwise, a hard copy document and/or electronic mail.

CHAPTER 1: ACCOUNTING

1.1. Accounting Principles and Standards

1.1.1. The accounting principles of the University shall be based on generally accepted accounting principles (“GAAP”) as adopted by the Governmental Accounting Standards Board (“GASB”).

1.1.2. The University President and/or CFO shall annually provide certification to the State Controller as to the adequacy of its systems of internal accounting and administrative controls of the University. The certification form, content and due date shall be determined by the State Controller.

1.2. Accounting Systems

1.2.1. The University shall continue to report to the State Controller regarding its financial transactions as required by law.

1.2.2. Automated interfaces between the University’s accounting system and the state’s accounting system will be coordinated between the State Controller’s office and the University Controller or their respective delegates.

1.2.3. Access of the University to the state’s financial system, including both direct access to the State’s accounting system and query access to the State’s financial data warehouse, shall be coordinated between the University and the Higher Education Fiscal Coordinator.

1.3. Financial Transactions and Internal Controls

1.3.1. Prior to recording transactions on the University financial system and prior to making payment of monies to any person or entity, the University shall implement internal accounting and administrative controls that reasonably ensure: financial transactions are accurate, reliable, and conform to financial reporting; effective and efficient operations; compliance with laws and regulations; safeguard assets against theft and unauthorized use, acquisition, or disposal.

1.3.2. Potential risk factors, costs, and business and operating requirements shall be considered when establishing such internal accounting and administrative controls.

1.4. Fraud, Theft and Embezzlement

1.4.1. Any suspected fraudulent misstatements in or omissions from Financial Statements shall be reported immediately to the CFO, University Internal Auditor and University General Counsel.

1.4.2. Any suspected theft or embezzlement of University monies or assets shall be reported immediately to the CFO, University Internal Auditor and University General Counsel.

1.4.3. If any suspected behavior within the scope of Sections 1.4.1 and/or 1.4.2, above, is not reported to each of the employees in the positions identified in those Sections, the employee(s) who was contacted about the suspected behavior shall notify the other employee(s) about the suspected behavior.

1.4.4. If any one or more of the employees in the positions identified in Sections 1.4.1 and 1.4.2, above, is suspected of such fraudulent misstatement, theft and/or embezzlement, he/she/they shall not participate in the investigation of any such reports until such time as it has been determined that he/she/they were not engaged in any such suspected activity. If each of the employees in the positions identified in Sections 1.4.1 and 1.4.2, above, is suspected of such fraudulent misstatement, theft and/or embezzlement, such suspected activity shall be reported immediately to the University President and Chair of the Board.

1.4.5. The persons to whom the matters described in Sections 1.4.1 and/or 1.4.2 are reported shall have the authority to consult other University employees and/or third-party entities or individuals on a confidential “need to know” basis during the course of any investigation into such matters if it is reasonably believed that such individuals can assist in the investigation and/or resolution of the matter.

1.4.6. A report of any investigation regarding the matters described in Sections 1.4.1 and/or 1.4.2 and/or corrective measures implemented to prevent or reduce the likelihood of future occurrences shall be prepared in a timely manner by the University Internal Auditor and shall be provided to the CFO, University General Counsel and University Controller (consistent with the provisions of Section 1.4.4, above).

1.5. Capitalization of Equipment

The University is responsible for the proper accounting, inventorying, safeguarding and capitalizing of all its equipment.

CHAPTER 2: EXPENDITURES

2.1. Expenditures

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

2.1.2. Except as stated in Section 2.1.3, below, the University shall not disburse funds in an amount of \$10,000.00 or more unless the disbursement is supported by a Commitment Voucher, as defined above, approved by a University employee authorized to act with respect to the transaction for which the disbursement of funds is requested. All funds disbursed shall be in amounts that are fair and reasonable. All disbursements shall comply with all applicable statutes, executive orders, and University policies and procedures, including these Rules.

2.1.3. A Commitment Voucher is not required for the following types of disbursements regardless of the amount of funds disbursed:

2.1.3.1. Calculated payments required between the University and another entity where the payments have regular distributions or are required by regulatory or statutory formulas (e.g. bond payments; state billings for legal, motor pool, information storage; State Indirect Cost reimbursements);

2.1.3.2. Copier rental agreements when the payment is based on cost per copy;

2.1.3.3. Conference registrations;

2.1.3.4. Financial aid or tuition assistance programs;

2.1.3.5. Insurance premiums;

2.1.3.6. Internal services routinely provided by the University;

2.1.3.7. Internal University purchases;

2.1.3.8. Moving expenses reimbursed to University employees consistent with the provisions of Section 2.7, below;

2.1.3.9. Payroll and related disbursements (withholding, authorized benefits, etc.);

2.1.3.10. Postal and other delivery charges, including messenger fees;

2.1.3.11. University program payments to or on behalf of individuals qualified for the program's benefits (e.g. scholarships);

2.1.3.12. Subscriptions for journals, informational publications or similar materials (electronic or hard copy), which do not include services;

2.1.3.13. Utility hook ups and line extensions performed by a utility company;

2.1.3.14. Water, gas, electric, and customary telephone services, which are routinely purchased by the University; or

2.1.3.15. Other disbursements approved in writing by the CFO or Delegate.

2.2. After the Fact Purchases

2.2.1. The University shall not make payments to a vendor when an After the Fact Purchase has occurred, unless the violation has been reported to the University CFO, who has taken appropriate action to document the violation and to cause to be prepared the documents that were required for such payment pursuant to Section 2.1.2, above.

2.2.2. Pursuant to C.R.S. §24-30-202(3), any person who incurs, orders or votes for an obligation or makes a payment which creates an After the Fact Purchase shall be personally liable for such obligation, unless the CFO takes the actions regarding such After the Fact Purchase as described in Section 2.2.1, above.

2.2.3. The University CFO, in his/her sole discretion, may take the actions described in Section 2.2.2, above, if he/she finds all of the following:

2.2.3.1. The prices or rates on which the After the Fact Purchase was based are fair and reasonable;

2.2.3.2. The amount of the After the Fact Purchase expenditure is within the unencumbered balance of the fund;

2.2.3.3. The University department for which the After the Fact Purchase was made provides a written explanation of the expenditure;

2.2.3.4. The University employees involved in the After the Fact Purchase did not act in bad faith or in a fraudulent manner; and

2.2.3.5. The violation is not part of a consistent pattern of After the Fact Purchases.

2.3. Advance Payments

2.3.1. University Contracts and other Commitment Vouchers shall not provide for Advance Payment for goods supplied and/or services performed or for any other contractual obligation, except as permitted in these Rules.

2.3.2. The CFO or Delegate may waive the requirement of Section 2.3.1, above, if he/she determines that an Advance Payment is the established industry standard under the circumstances and/or provides a benefit to the University at least equal to the cost and risk of the Advance Payment. The University CFO shall provide written documentation of such determination for the contract file.

2.3.3. Advance Payments for a period of one year or less prior to the receipt of goods or services are permitted without waiver from the CFO for the following:

2.3.3.1. Advertising services and related goods;

2.3.3.2. Charter transportation;

2.3.3.3. Construction permits;

2.3.3.4. Federal grants awarded by the University to sub-grantees (in compliance with Federal requirements);

2.3.3.5. Overnight travel accommodations such as hotels, motels, or similar lodging;

2.3.3.6. Information technology service agreements (including internet access, systems and database access);

2.3.3.7. Insurance premiums;

2.3.3.8. Interagency agreements;

2.3.3.9. Licenses, including licenses for software;

2.3.3.10. Maintenance of office equipment or information technology (software and hardware);

2.3.3.11. Membership dues;

2.3.3.12. Personal property lease or rental agreements;

2.3.3.13. Post office box lease or rental;

2.3.3.14. Professional services provided by expert witness hired for litigation purposes, mediators, entertainers, and speakers;

2.3.3.15. Real property leases where the University is a tenant and perpetual easements granted to the University where the easement and all attendant rights are transferred upon payment;

2.3.3.16. Expenditure Contracts for sponsored projects;

2.3.3.17. Subscriptions for journals, informational publications or similar materials (electronic or hard copy);

2.3.3.18. Tuition, registration, and fees charged for employee training, classes, conferences, and seminars;

2.3.3.19. Utility hook ups and line extensions performed by a utility company; or

2.3.3.20. Water rights purchases or temporary leases.

2.4. Emergency Procurements

Emergency Procurements may be made, without issuing a Commitment Voucher, where all of the following conditions are met:

2.4.1. The nature of the threat requires an immediate response and there is insufficient time to issue a Commitment Voucher;

2.4.2. The procurement is authorized in writing by the Executive Director of Purchasing & Contracts and the CFO;

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

2.4.4. A Commitment Voucher is executed as soon as possible to define future performance obligations, if any, of the vendor and the University, as required by these Rules; and

2.5. Official Functions and Training Functions

Official Functions and Training Functions shall be held to achieve business purposes and shall be limited to reasonable and actual costs. The attendance of University employees at Official Functions shall be limited to those individuals directly related to the purpose of the function. Expenditures shall be limited to those reasonable and necessary to achieve business purposes

to avoid the perception of personal benefit and/or abuse of public funds. Expenditures incurred for Official Functions shall be approved by the University President, the CFO or Delegate approved by the University President or CFO.

2.6. Benefits and Perquisites

2.6.1. No employee of the University shall receive any type of perquisite by virtue of their employment or have the authority to grant any perquisite to any other University employee except as provided by State statute or regulation or by these Rules. Monetary allowances shall not be given to employees in lieu of benefits, except as provided by State statute or regulation or by these Rules or as approved by the University President

2.6.2 The University may establish rules and procedures for allowing certain expense reimbursements, benefits, and payments to employees within the limitations of State statutes or regulations or these Rules. Such policies shall be approved by the University President and may include, but are not limited to, the following types of expenses, benefits and payments:

2.6.2.1. Honorariums for speaking engagements or other presentations that are not part of the speaker's/presenter's normal duties and responsibilities as a University employee.;

2.6.2.2. Transit and parking benefits for non-Traveler employees, as long as the benefit is provided for the betterment of both the University and the employees who receive it.;

2.6.2.3. Discounted tickets and fees to employees for University sporting and cultural events, seminars, instructional courses, and similar events, as long as such discounts are provided fairly and equitably among employees;

2.6.2.4. Housing or a housing allowance, to non-Traveler employees when:

2.6.2.4.1. The provision of housing is temporary during a work assignment to a location farther from home than commuting or reimbursable travel would reasonably allow.

2.6.2.4.2. The housing or housing allowance is of the type or amount that is cost-beneficial and appropriate to the circumstances.

2.6.2.4.3. The employee remains solely responsible for all expenses, damages, and other costs associated with the use of the housing, other than normal wear-and-tear, and;

2.6.2.4.4. The employee is responsible for all taxes as required by applicable state and federal tax code provisions and regulations in connection with such housing or housing allowance. The Board may authorize the University President's receipt of housing or a housing allowance as part of the University President's employment contract.

2.6.2.5. Job-related and career enhancement courses to employees subject to approval by the relevant department head at no cost or reduced cost as authorized by the University;

2.6.2.6. Temporary University housing provided to visitors and guests, where space is available, in accordance with applicable University policy, the charge for such accommodations to be set at a reasonable amount in comparison to charges for similar housing and which will at least recover all direct and indirect costs to the University;

2.6.2.7. Uniforms and maintenance of uniforms required to be worn by University employees at no charge, at a reduced charge, or through a uniform allowance;

2.6.2.8. Authorized commuting where motor vehicles owned by the University are used for commuting to or from any place of work, the employee has obtained prior written authorization signed by the CFO based on his/her review and determination in accordance with C.R.S. §§24-30-1112 – 1114 and the employee shall have imputed income for the use of the vehicle at a rate that approximates the benefit derived from the use of the vehicle and that complies with Internal Revenue Service publications and regulations; and

2.6.2.9. Meals to non-Traveler employees at (or prepared by) a University-owned dining facility in connection with special events, meetings, or official functions, provided that the event, meeting or official function is directly related to official business of the University.

2.7. Moving and Relocation

Moving and relocation expense for employees exempt from the State Personnel System are allowable in accordance with applicable University policies. Any such moving and relocation expenses must be authorized in writing by the President or Delegate. Moving and relocation expenses for employees in the State Personnel System are only allowable as expressly provided in applicable State statutes and rules.

CHAPTER 3: CONTRACTS

3.1. Contracts in the Name of the Board

All University Contracts shall be made in the name of the “Board of Trustees of the University of Northern Colorado, for the use and benefit of the University” and/or the applicable department or unit.

3.2. University Contract Approvals

3.2.1. Except for contracts for which approval of the Board is required, and in strict accordance with authorizations provided and delegations allowed by the Board, upon written delegation by the President, the CFO (and such other person(s) to whom the President has, in writing, delegated such authority) shall execute all University Contracts. No person may enter into a University Contract without delegated authority to do so from the University President and any University Contract executed without proper delegation shall be deemed null and void unless subsequently ratified in writing. The University shall obtain all required approvals and signatures and retain documentation thereof in its files for the period specified in the applicable University document retention policy.

3.2.2. INTENTIONALLY OMITTED. NUMBERING PRESERVED.

3.2.3 No person shall act in a manner not in conformity with the requirements of this Chapter. If a person acts or attempts to so act, he/she shall be personally liable for such act(s), and shall be liable to the University for any damages or losses sustained by the University as a result.

3.3 Delegated Authority

3.3.1. Subject to delegation of such authority by the University President, the CFO (and such other person(s) to whom the President has, in writing, delegated such authority) shall have the authority to delegate signature authority for the execution of agreements regarding the commitment or expenditure of University monies and/or resources to other University employees, as appropriate, and shall memorialize each such delegation in a document signed by the CFO (or such other person(s) to whom the President has, in writing, delegated such authority) and each such Delegate that describes, at a minimum, the extent of the subject matter of the delegation and the time period during which the delegation is effective.

3.3.2. The CFO (and such other person(s) to whom the President has, in writing, delegated such authority as described in Section 3.3.1, above) may rescind or modify delegations at any time in his/her discretion. Any such rescission or modification shall be memorialized by the CFO (or such other person(s) to whom the President has, in writing, delegated such authority) in a document signed (a) by the CFO (or such other person(s) to whom the President has, in writing, delegated such authority) (in the case of a rescission) and

(b) by the CFO (or such other person(s) to whom the President has, in writing, delegated such authority) and the Delegate (in the case of a modification.)

3.3.3. Any delegation by the CFO (and such other person(s) to whom the President has, in writing, delegated such authority) shall be to the employee identified in the document described in Section 3.3.1, above, and is automatically rescinded at the time such Delegate's employment ceases for any reason, and does not transfer to the employee who fills that Delegate's position. Delegates shall observe all rules, procedures, dollar thresholds, and other requirements of the University, and the conditions and limitations, if any, of their specific delegation.

3.4. What Agreements are Included Within the Scope of a University Contract

Examples of University Contracts include, but are not limited to, expenditure contracts, revenue contracts, leases of real or personal property, real property agreements, academic and cooperative agreements, interagency and intergovernmental agreements, licenses, grants, construction contracts, personal services contracts, and intellectual property conveyances. The term "University Contract" does not include a purchase order, voucher, or procurement card transaction, unless otherwise specified.

3.5. Contracts to be in Writing

All University Contracts shall be in writing, and no University employee or agent, or Trustee of the Board, shall have the authority to enter into a binding oral contract on behalf of the University.

3.6. Contract Policies and Procedures

The University shall promulgate policies and procedures for the preparation and execution of University Contracts, purchase orders, procurement card transactions, disbursement vouchers, and all other forms of Commitment Voucher, and such policies and procedures shall be approved by the CFO.

3.7. Legal Review of Contracts

The University General Counsel shall perform legal review of all University Contracts required by Colorado statute, upon direction of the Colorado Attorney General, the University President or CFO or where the University Contract will or may require payment by the University of more than \$50,000. The University General Counsel may, by written delegation, authorize other attorneys employed or retained by the University to conduct legal review of University Contracts that will or may require payment by the University of more than \$50,000 but less than \$100,000. No University Contracts for which legal review is required are valid and binding upon the University until such legal review is completed and affirmed in writing by the University General Counsel or their delegate.

3.8. Encumbrances

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

3.9. Independent Contractor Relationship

The University shall maintain the distinctions between work performed by persons who are employees of the University and services performed by independent contractors of the University (and their employees, agents and representatives.) In that regard, the University shall act in accordance with all applicable Federal and State statutes, regulations and opinions of the Colorado Attorney General.

3.10. Indemnification Prohibited

Unless specifically authorized by the Board, the University shall not, in any University Contract, indemnify and/or hold harmless another party (regardless of the language used) against any liability incurred as a result of the acts or omissions of the University, its employees and/or agents.

3.11. Special Provisions

All (a) Expenditure Contracts, (b) University Contracts in which the University is the grantor and provides monies from the University, federal government, or other sources to another party to the contract, (c) University Contracts with other governmental entities in which the University provides funds to another governmental entity, (d) Debt Contracts, (e) Price Contracts, and (f) Capital Construction Contracts shall contain the Special Provisions as they exist or may be amended from time to time. These Special Provisions shall not be required in contracts for the provision of student scholarships and/or financial aid. No modification shall be made to a Special Provisions without the prior written approval of the University General Counsel, who may consult with the CFO as necessary, except as otherwise expressly provided herein.

CHAPTER 4: CAPITAL CONSTRUCTION

4.1. Capital Construction Contracts

4.1.1. University Contracts shall be required when expending funds in excess of \$100,000 appropriated for emergency maintenance projects including construction services or installation of fixed equipment unless prior approval has been obtained from the State Director of the State Buildings Program to use a purchase order.

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

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

4.1.4. The University shall withhold retainage for all Capital Construction and controlled maintenance projects where the total amount of the University Contract exceeds the limit established by C.R.S. §24-91-103. The retainage shall be in the form of monies withheld from the contractor or in any other form authorized by statute and acceptable to the University.

4.1.5. The retainage shall be released by the University only when the University Contract has been satisfactorily completed and accepted, and there has been publication of the "Notice of Final Settlement" in accordance with C.R.S. §38-26-107, and there are no outstanding claims against the project.

4.1.6. All dollar thresholds or amounts contained in this Chapter 4 may be modified by the CFO at any time that the State Director of State Buildings Programs authorizes or adopts different thresholds or amounts.

4.1.7 University Contracts for Capital Construction shall follow the contract routing procedures established by the University. The University shall not use the Capital Construction Fund to pay or reimburse University employees for construction management, administrative activities, direct labor performed, or any other expense outside the scope of the Capital Construction or Controlled Maintenance Project.

4.2. Capital Construction Funds

4.2.1. All funds appropriated for Capital Construction Projects shall be used for their intended purpose and in compliance with C.R.S. §24-75-301, et seq.

4.2.2. Professional Services Contracts funded by the State capital construction fund shall be executed and the funds encumbered within the time limits established by C.R.S. §24-30-1404. If the University determines that the deadlines imposed by the statute cannot be met, the University may request the State Capital Development Committee to recommend to the State Controller that the deadline be waived. This subsection does not apply to projects that are to be constructed solely from cash funds held by the University or federal funds made available for the project or a combination of the cash funds and federal funds.

CHAPTER 5: TRAVEL

5.1. Scope.

This rule addresses the requirements for authorizing University travel, determining travel expenses that may be covered by the University.

5.2 Responsibilities of the Traveler.

5.2.1. Traveler's Responsibilities.

5.2.1.1. A Traveler is responsible for controlling expenses at a reasonable level and ensuring that the University receives adequate value for the amounts expensed.

5.2.1.2. A Traveler shall identify and record anticipated expenses to be incurred for the benefit of the University and complete a Travel Authorization form.

5.2.1.3. A Traveler shall maintain and submit receipts for all University related travel expenses, excluding per diem related expenses.

5.3 Responsibilities of the Approving Official

The Approving Official shall be a responsible administrator assigned by the President or a Vice President to authorize travel expenditures for a college or department. The Approving Official shall review the travel authorization and resulting expenditures incurred on University business. An Approving Official may require any documentation deemed necessary in connection with review and authorization of travel and the resulting expenditures.

5.4 Expenses

5.4.1. Travel related expenses may be charged to the University either through a UNC VISA card or through an employee reimbursement under the following conditions:

5.4.1.1. Travel is on University business;

5.4.1.2. Travel is only for the time period necessary for official business;

5.4.1.3. When combined with personal travel, the employee is responsible for identifying the portions of the travel expense that are not attributable to official business, and for assuring that UNC VISA card charges or claims for reimbursement are limited to those expenses that are directly incurred in connection with official business;

5.4.1.4. Travel is accomplished using the most economical means available;

5.4.1.5. Travel expenses are reasonable under the circumstances;

5.4.1.6. Traveler submits adequate documentation of the travel expenses to the Approving Official;

5.4.1.7. Travel is for traveling away from home.

5.5. Limitations for Travel Expenses.

5.5.1. The following conditions, requirements and limitations shall apply to the expenses a Traveler may charge to the University:

5.5.1.1. Expenses for travel to a temporary work location may be allowed, however, depending upon the circumstances of the temporary assignment, the reimbursement may or may not be taxable (IRS Publication 463).

5.5.1.2. Expenses for travel to conferences, meetings, training sessions and other business-related activities may be allowed, provided that the Traveler obtains all required approvals for such activities prior to commencing travel.

5.5.1.3. Members of the Board may be reimbursed for actual and necessary travel expenses incurred in the performance of their duties, to the extent that such expenses are reasonable under the circumstances.

5.5.1.4. Business travel may be combined with personal travel with prior written approval from the Traveler's supervisor. When business travel is combined with personal travel, charges to the University may be allowed. In these instances, the Traveler shall make a reasonable allocation of expenses between University business and personal purposes. Documentation related to expenses shall contain such allocation and sufficient documentation to explain the basis of the allocation. See also 5.6.7.3 regarding airfare. If the Traveler obtains lower rates for the trip based on the extension for personal purposes, then the lower rates shall also apply to the University's portion of travel.

5.5.2. Employees of the University shall be allowed to have their travel expenses paid directly or reimbursed to the University by a third party in the event that they are invited to attend a committee meeting, seminar or conference concerning University business. The employee may accept the invitation only after the travel has been approved by the appropriate Approving Official and where the invitation does not violate other state statutes or constitutional provisions.

5.6. Allowable Travel Expenditures.

5.6.1. Policies, Procedures and Forms: Subject to the provisions of these Fiscal Rules, the University may develop its own policies, procedures and forms for processing travel expenditures, and the same shall be approved by the President or Senior Vice President for Finance and Administration (or his/her delegate). The policies and procedures shall, at a minimum, require the advance approval of travel except in extraordinary circumstances and the certification of expenses by the Traveler.

5.6.2. Lodging: The Traveler may charge lodging to the UNC VISA card.

5.6.3. Meals and Incidental Expenses; Per Diem Rates:

5.6.3.1. The University shall establish per diem and incidental rates. Per diem shall be paid to the Traveler (including students) directly. Any Traveler (including students) requesting per diem must complete a Travel Authorization form.

5.6.3.2. A Traveler may claim up to the applicable per diem and incidental rate for each full day of travel, not including the first day of travel or the last day of travel. Expenses on the first and last day of travel may be claimed by the Traveler based on 75% of the per diem rate. Any meals provided to the Traveler at the meeting, conference or seminar shall be deducted from the per diem rate.

5.6.3.3. Under no circumstance shall a Traveler request per diem higher than the applicable rate.

5.6.3.4. Receipts for meals and incidental expenses are not required.

5.6.4. Transportation: A Traveler shall charge the University only for the amount of the most cost-effective method of transportation available to the Traveler that satisfactorily accomplishes the University's business. Receipts shall be required for all expenses charged on the UNC VISA card. Receipts shall be required for reimbursement of transportation expenses when the cost exceeds \$25.

5.6.5. Rental Vehicles: The Traveler may charge rental vehicles to the UNC VISA card. Appropriate insurance is provided by the UNC Visa card provider, and Travelers shall waive insurance offered by the rental company. If a Traveler is not utilizing an UNC VISA card, rental insurance expenses shall not be reimbursed by the University. The University policies and procedures may specify that fleet vehicles or a selected vehicle rental vendor must be used when reasonable and available.

5.6.6. Mileage for Personal Vehicles. A Traveler shall be allowed mileage reimbursement for each mile actually and necessarily traveled on University business when using the Traveler's personal vehicle. A Traveler normally shall be reimbursed at the two-wheel

drive mileage rate. The use of the four-wheel drive rate is limited to when a four-wheel drive vehicle is actually used and is necessary because of road, terrain or adverse weather conditions. The rates for mileage reimbursement are set by CRS § 24-9-104(2), as now and hereafter amended.

5.6.7. Airfare. The Traveler may charge airfare for official University business to the UNC VISA card. Air travel shall be completed using the most economical means available which satisfactorily accomplish University business. Upgrades (including extended leg-room upgrades, priority boarding, or other Traveler convenience fees) and Business or First Class travel are not allowed unless prior approval is obtained by the Traveler. Such approval shall be limited to accommodations for security, health or a disability/special need.

5.6.7.1. Chartered flights require pre-approval by the Purchasing & Contracts office. At least 50% of the passengers must be members of the University's official party.

5.6.7.2. Baggage fees may be charged to the UNC VISA card if the bags are required for University business. Any charges for second bags must be pre-approved.

5.6.7.3. Air travel, except as provided below, shall be accomplished by the most direct route possible, including normal connecting airports to get to the business destination.

5.6.7.3.1 If personal travel is combined with business travel and extends the trip (see section 5.5.1.4), documentation must be provided to show that the extended trip airfare did not result in a higher cost. If it does, the Traveler is responsible for reimbursing the University for the difference in fare within ten days of booking the flight.

5.6.7.3.2 In unusual circumstances, with prior written approval from the supervising vice president and the Chief Financial Officer, employee and student Travelers may be authorized to travel from the business destination to an alternate location where the Traveler remains for a period of time before returning to the University. In these circumstances the University's cost shall be the lower of (a) the cost of a round-trip airfare returning to the University or (b) the actual cost of the airfare from UNC to the business destination and then continuing to the alternate location. If the cost of (b), above, exceeds the cost of (a), above, the Traveler is responsible for reimbursing the University for such difference in the cost of airfare within ten days of booking the flight. The Traveler is also responsible for the full cost of returning to the University from the alternate location.

5.6.7.3.3 In rare circumstances, such as student travel during University vacation periods, **student** Travelers may be authorized to travel from the

business destination to an alternate location where the student Traveler remains for a period of time before returning to UNC. This situation differs from section 5.6.7.3.2 in that the University's cost shall be the actual cost of the airfare from UNC to the business destination, continuing on to the alternate location, **and then returning to UNC**, if and only if such cost is equal to or less than the cost of a round-trip airfare returning to UNC. Such travel requires the prior written approval of the supervising vice president and the Chief Financial Officer. The student Traveler is responsible for reimbursing the University for the cost of any airfare that exceeds the cost of a round-trip airfare from UNC to the business destination within ten days of booking the flight.

5.6.8. Tips. Travelers cannot claim tips as a separate item for reimbursement. Tips paid to porters, baggage carriers, bellhops, hotel maids and skycaps for airport check-in shall be reimbursed under the incidental expense per diem. Tips paid in conjunction with meals are part of the meal per diem.

5.6.9. Other Allowable Travel Expenses. The University shall develop policies and procedures covering other allowable travel expenses. These policies shall be in accordance with applicable statutes and regulations and consideration shall be given to IRS guidelines related to the taxability of the potential expense.

5.7. Non-Allowable Travel Expenses.

A Traveler shall not charge the University for the following types of expense:

5.7.1. Alcoholic beverages.

5.7.2. Entertainment expenses.

5.7.3. Personal expenses above the incidental expense allowed.

5.7.4. Travel expenses incurred for political activities.

5.7.5. Traffic fines and parking tickets.

5.7.6 Meals for one day travel.

5.8. Own Lodging and Meals.

Reimbursement for Travelers who provide their own lodging and meals may be allowed. Under no circumstances shall the reimbursement rates exceed the then-current per diem rates established by this rule.

5.9. Travel Authorization.

All University travel shall be authorized by written or electronic approval prior to the trip. The University shall develop procedures for approving travel, and such procedures shall be approved by the President or his/her delegate.

5.10. Travel Advances.

Travelers shall be allowed travel advances for per diem rates when utilizing the UNC VISA card. Travelers that do not utilize the UNC VISA card are not eligible to receive advanced per diem. All travel advances require written or electronic approval prior to the commencement of travel. The University shall develop procedures for the form, approvals, amounts and settlement of advances, and such procedures shall be approved by the President or his/her delegate.

CHAPTER 6: CASH

6.1. Funds to be Deposited

Funds that are received by the University shall be deposited timely into a depository account that is transferred to the State treasury.

6.2. Change Funds and Petty Cash

Change funds and petty cash funds may be established based upon written approval by the CFO and/or University Controller. This approval shall state the purpose of the fund and contain justification for the amount requested.

6.2.1. Change funds shall only be used for making change when cash receipts are accepted from the public, such as for fees and fines. No expenditures of any kind shall be authorized from a change fund.

6.2.2. Petty cash funds shall only be used for payment of incidental expenses of a nominal amount such as postage, or expenses not otherwise appropriately billed by invoice. Petty cash expenditures shall be consistent with all applicable statutes, rules, regulations and executive orders.

6.2.3. All change funds and all petty cash funds shall be recorded on the University's financial system.

6.3. Bank Accounts

6.3.1. The University may open new bank accounts only with the prior, written approval of the State Treasurer, the State Controller, and the CFO.

6.3.2. Bank account balances shall be limited to the minimum amount necessary to be consistent with legal requirements and operating efficiency.

6.3.3. Deposits to imprest cash accounts shall only be in the form of reimbursements for expenditures, interest earnings, and other miscellaneous adjustments credited by the banking institution.

6.3.4. Reimbursements to imprest cash accounts shall be limited to actual expenditures. Request for reimbursements shall be made so that all disbursements are properly reported on the University's financial system.

6.3.5. Changes to authorized signatories on any existing bank account may be made only with the prior, written approval of the CFO.

6.4. Checks Returned for Insufficient Funds.

The University shall assess a reasonable charge against any person that issues a check to the University that is returned for insufficient funds. The charge shall be at least equal to the bank charges assessed and may include up to an additional 25% to cover the University's administrative costs.

6.5. Draws of Federal Funds.

The University shall make draws of federal funds as closely as possible with the use of those funds and in accordance with any applicable laws.

CHAPTER 7: BUDGET

In accordance with Article VIII, §5(2) of the Colorado Constitution and Colorado Revised Statutes §§ 23-40-103.5 and 23-40-104, the Board has general supervision and exclusive control of all funds of and appropriations of the University. The CFO has established policies and practices related to the University budget in accordance with the Bylaws and Policies of the Board. Accordingly, these Procedures do not address this area.

CHAPTER 8: REPORTING

8.1. Financial Statements

8.1.1. Audited annual financial statements of the University shall be prepared in accordance with GAAP. Such statements shall be shared with the State Controller office or others as required or requested.

8.1.2. Financial statements prepared by University shall be reconciled to the State Financial system.

8.1.3. The University shall continue to provide information to the State Controller, including exhibit information required in the fiscal year-end closing instructions issued by the State Controller and any post-closing adjustments, as necessary for the State Controller to meet his/her obligations.

8.2. Quarterly financial Reporting

8.2.1. If requested, the University shall submit quarterly financial reports as may be required by the State Controller in a standardized reporting format.

8.3. Cost Allocation Plans

8.3.1. The University shall prepare a documented indirect cost allocation or indirect cost rate proposal/plan for relevant State and federal programs.

8.3.2. A cost allocation methodology shall be used that assures that the allocations made through the methodology represent a service/benefit or other equitable relationship between the cost of the services provided and the value of the benefits received by users of the services.

8.3.3. The University shall periodically review their cost allocation methodology to ensure that the methodology represents the best allocation attainable.

8.3.4. The University shall prepare a State agency federal indirect cost rate proposal/plan in accordance with OMB A-21 or OMB A-87, whichever is applicable, and sign an indirect cost rate or allocation methodology agreement with the federal government.

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

8.3.6. When the University receives cash funds based on fees charged to users it shall compute an Indirect Cost Allocation that identifies and allocates all Indirect Costs to all

appropriate Cost Objectives. Allocations to cash programs shall be used as a component in the calculation of fees that recover the full cost of cash funded programs and services. The allocations shall include all costs allocated to the Institution in the Statewide Budget/Cash Cost Allocation Plan.

CHAPTER 9: PAYROLL

9.1. Payroll Systems.

The University shall have the option to use the campus based payroll systems, the State payroll system, or to enter into University Contracts for the provision of these services as deemed necessary by the CFO.

9.2. Direct Deposit.

Employees paid either monthly or bi-weekly shall have their checks direct-deposited unless an exception to this process is approved by the CFO.

9.3. Overpayments to Employees.

9.3.1. If, through error or oversight, an employee is be paid more than is due him/her, when the error is detected, provisions shall be made for the repayment of the overpayment.

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

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

SELECTED AUTHORITIES

Global Applicability

CRS §23-40-101 *et seq.*, University Established – Role and Mission
CRS §23-40-103.5 Board of Trustees for the University of Northern Colorado fund – creation – control - use
CRS §24-303-202 Procedures – Vouchers and Warrants – Rules – Penalties
CRS §23-40-103 Funds for Maintenance
CRS §23-40-104 Board of Trustees

Chapter 1

CRS §24-17-102 Control System to be Maintained
CRS §24-17-103 Annual Report to Controller
CRS §24-30-202(13)(a), (b), (d) Procedures – Vouchers and Warrants – Rules - Penalties
CRS §18-4-401 Theft
CRS §18-5-102 Forgery
CRS §18-8-407 Embezzlement of Public Property
CRS §24-17-101 State Department Financial Responsibility and Accountability Act
CRS §24-30-201 (1)(k) Accounts and Control - Controller

Chapter 2

Colo. Const. Article V, § 33 Disbursement of public money
Colo. Const. Article XI, § 1 Public Indebtedness, Pledging Credit of the State, County, City, Town or School District Forbidden
CRS §24-30-202(3) Procedures – Vouchers and Warrants – Rules - Penalties
CRS §24-2-103 Compensation of Heads of Departments and Other Officers and Employees

Chapter 3

Colo. Const. Article V, § 33 Disbursement of public money
Colo. Const. Article XI, § 1 Public Indebtedness, Pledging Credit of the State, County, City, Town or School District Forbidden
CRS §24-30-202(3) Procedures – Vouchers and Warrants – Rules – Penalties

Chapter 4

CRS §24-30-1301 State Buildings Division, Definitions
CRS §24-30-1404 Contracts
CRS §24-75-301-306 Capital Construction Fund
CRS §24-91-101-110 Construction Contracts with Public Entities

CRS §24-92-101-114 Construction Bidding for Public Projects
CRS §38-26-106 Contractor Executes Bond
CRS §38-26-107 Supplier May File Statement – Notice – Withholding Funds

Chapter 5

CRS §24-9-104(2) - Mileage Allowances
IRS Publication 463 – Travel, Entertainment, Gift and Car Expenses

Chapter 6

CRS §24-36-103 All State Monies to be Transmitted to Department
CRS §24-36-104(2.5) Monies to be Deposited
CRS §24-75-202 Imprest Cash Accounts
CRS §24-30-202(25) Procedures – Vouchers and Warrants – Rules - Penalties
31 CFR, Part 205 Rules and Procedures for Efficient Federal – State Funds Transfers

Chapter 7

CRSA Const. Art. VIII §5 Educational Institutions
Board Policy 1-1-201(3) Budget Process
Board Policy 1-1-201(4) University Funding Priority Guidelines
Board Policy 1-1-203(3) President

Chapter 8

CRS §24-30-201 Accounts and Control - Controller
CRS §24-30-202 (13)(a),(b) Procedures – Vouchers and Warrants – Rules – Penalties
CRS §24-75-102 When Appropriations Expended - Balance
CRS §24-17-102 Control System to be Maintained
CFR: Title 48, Chapter 99, Subchapter B, Part 9904 Cost Accounting Standards Board, Cost Accounting Standards
Federal OMB Circular A-21 Cost Principles for Educational Institutions
Federal OMB Circular A-87 Cost Principles for State and Local Governments

Chapter 9

CRS §24-30-201(1)(e) Accounts and Control - Controller
CRS §24-30-202(1), (8.5), (13)(b) Procedures – Vouchers and Warrants – Rules – Penalties
CRS §24-50-104(8)(a) Job Evaluation and Compensation