

## **Section 5 – Finance Policies**

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## **5.01 Business Expense Policy**

### **Purpose Statement**

The Business Expense Policy and Guidelines is intended to assure fair, consistent, equitable, and judicious use of university funds. Expenditures of any type paid by the university should occur in the furtherance of the University's mission and educational purpose.

### **Policies and Procedures**

#### ***Budget Supervisors***

Budget Supervisors are appointed for each department or office by the appropriate Dean or VP. Budget supervisors are responsible for approving purchase orders and procurement activity within their designated area in accordance with current established signature authority levels. Any purchase order or procurement activity exceeding this signature limit must also be approved by the appropriate Dean, VP, Associate Dean or Associate VP.

Budget supervisors are also responsible for reviewing the expense activity within their area and contacting the Finance Office immediately when unauthorized or unknown items appear on their budget reports.

Budget supervisors are required to attend a Purchasing Process training session before any purchase orders or other procurement activity may be processed. Upon notification of a newly assigned budget supervisor, the Director of Purchasing and Business Services will schedule a training session with the Purchasing staff.

#### ***Purchasing Regulations***

Please refer to the Purchasing Policies & Procedures (Section 5.02) for information on the University's policies and procedures for the procurement of goods and services.

University funds are committed only through the approved issuance of a University Purchase Order, Departmental Purchase Order, Corporate credit card or Contract. Similarly, there is no obligation on the part of Stetson University to pay for merchandise not previously authorized by an official purchase order. Invoices that arrive without purchase order authorization will not be paid.

Several University service departments exist to provide on-campus support for both economy and convenience. These departments would include, but are not necessarily limited to, the University Print Shop, the University Bookstore, the University Post Office, the central office stores maintained in the Warehouse inventory, food catering functions through the University Dining Services, and specialized maintenance activity such as carpentry

#### ***Travel***

The University supports the travel of faculty, administrative and support personnel to appropriate professional meetings and to attend to the official off-campus business of the University. Please refer to the Travel Policies and Procedures (Section 5.03) for specific information on the University's travel

policies.

### ***Reimbursable Expenses***

Reimbursable expenses are for incidental costs incurred during the course of business. Reimbursement requests will only be processed with the approval of the Purchasing Office. If the goods or services cannot be obtained through the Purchasing Office, then approval will be granted for the use of the reimbursement process.

Accounts Payable reviews approved reimbursement requests and applies practical guidelines to enforce policy and ensure fair and consistent treatment in the allowability of expenditures. They are responsible for making final authorizations for payment. Accounts Payable will withhold reimbursements and request a review of expenditures in cases where there is reason to believe the expenditures may be inappropriate or extravagant in relation to the University's policies. Expenditure requests for unallowable items will be rejected pending justification, and requests lacking required approvals will be returned to requesting departments for approvals.

Please refer to the Employee Reimbursement Procedures (Section 5.04) for complete information on the University's reimbursement policies.

## **5.02 Purchasing Policies**

### **5.02.1 Authority for Procurement**

Stetson University Purchasing Department is a division of the Finance Office under the Office of the Vice President of Finance. The department has the responsibility for procurement negotiations and the administration of procurement policies and procedures as delegated by the Board of Trustees.

The Purchasing Department is the centralized purchasing service for all departments of the University. In performing this service, in accordance with sound and prudent business practices, the office seeks to realize the maximum value for every dollar expended.

### **5.02.2 Responsibility and Objectives**

The Purchasing Department functions in a multi-faceted manner for Stetson University. It is responsible for buying merchandise, receiving the items when they arrive on campus, correcting errors in shipments, delivering materials to the proper departments, and processing authorized invoices for payment.

The Purchasing Department functions:

1. Obtaining competitive bids and selecting vendors.
2. Maintaining liaison with the vendors that service the University.
3. Coordinating the procurement of goods and services for the academic and administrative departments of the University.
4. Developing sources of supply to assure that university departments have an adequate number of vendors from whom to obtain supplies and equipment.

### **5.02.3 Authorized Purchases**

In accordance with the authority delegated to the Director of Purchasing and Business Services by the Vice President of Finance through the Office of the President and the Board of Trustees of the University, all purchases, regardless of the source of funds, will be governed by the following policies:

It shall be the policy to obtain all supplies, equipment and services at the best value for the University, consistent with cost, quantity, quality, environmental friendliness, and availability of the items at the time of purchase. In conforming to this policy, the cost of the purchase and the delivery time required by the using department will be considered. Competitive bids will be solicited whenever practical.

University funds are committed only through the approved issuance of a University Purchase Order, Departmental Purchase Order, Purchasing Corporate credit card or Contract.

### **5.02.4 Conflicts of Interest**

The University does not enter into purchasing contracts with students, faculty, staff, parents or members of their immediate families. Acquisitions from a business which a Stetson University employee has an interest are prohibited unless full disclosure of the background facts are presented in writing to the Purchasing Department. Interest is deemed present if the employee and/or their spouse or dependent minor children have direct or indirect financial interest in a business. Any exceptions will be approved by the Vice President for Finance.

### **5.02.5 Expenditure of Funds**

#### **5.02.6 Fund Source**

All funds deposited with Stetson University, regardless of source, are University funds and must be handled in accordance with University policy. Although departments are allocated funds in their budget for a given period, this allocation is only an authority to requisition, not to purchase.

#### **5.02.7 Account Number**

Each department is assigned an account number or numbers by the Finance Office. All requisitions must carry the complete number of the account to be charged.

#### **5.02.8 Requisition to Purchase**

Only a budget supervisor or their designee shall have authority to issue requisitions.

For proper control the purchasing function should, whenever possible, reside with one person in a department. The prompt processing of all work, however, remains the responsibility of the budget supervisor.

All requests for outside purchases of goods or services, regardless of the source of funds, must be processed through the Purchasing Department on the purchase requisition form (see page 30).

Guidelines:

- A. Each purchase requisition must be prepared as a three-part form (white, yellow and pink)

forwarding only the white and yellow to the Purchasing Department. (Please keep the pink copy for your records.) Only forms generated by Purchasing will be accepted. These requisition forms are available through the University Warehouse. Departments participating in the online requisition process will submit requisitions electronically.

- B. Each purchase requisition must contain the location to which material is to be delivered or service performed, the date required, the name of the account to be charged, the account number(s), the quantity, the catalog number or part number (if any), a complete description of the goods (size, color, etc.) or services desired, and the unit price. The requisition is dated, signed by the requisitioner, then forwarded to the next level approver or sent to Purchasing. Please attach any supporting documentation (e.g., quotes, catalog information, websites, etc.). Care should be taken that each requisition lists only items that can be furnished by one supplier.
- C. Where possible, the requisitioning department should furnish sources of supply, and the name and address of each recommended vendor.
- D. All requisitions for purchases exceeding the requisitioners approval limit should be forwarded to the appropriate Dean (or Associate Dean) or VP (or Associate VP) for your area.

All requisitions for purchases of computer systems and peripherals must be approved by IT.

All requisitions for furniture purchases must be approved by the Director of Purchasing and Business Services.

All requisitions for off campus printing should be reviewed by the Print Shop.

All requisitions for off campus purchases of embroidered and/or silk-screened apparel should be reviewed by the Print Shop.

- E. Once the requisition is received in Purchasing, the account number(s) to be charged will be checked to be sure the required approvals are in place and there are sufficient funds to cover the purchase. If there are insufficient funds in the account(s), the requisitioner will be notified, the requisition will be returned and the purchase order will not be issued.
- F. Once a purchase order has been generated for the purchase, the purchase order number and date are written on the bottom of the requisition form and the yellow copy is mailed back to the requisitioner.

### **5.02.9 Purchase Order**

A Purchase Order (see form) is prepared and copies are faxed or mailed to the vendors. The Purchasing Department is the only office authorized to assign a purchase order number. Copies of the purchase order are not mailed to the requisitioning department unless requested. A copy of the purchase order form is in the back of this book.

### **5.02.10 Cancellation or Modification of Orders**

Requests for cancellation or modification of a purchase order, including an increase or decrease in the dollar amount of the order, must be submitted to the Purchasing Department in writing or through an

email request by the budget supervisor. State the reason for the change and reference the purchase order number and vendor's name and address.

An official notification to the vendor will be sent via a Change order.

#### **5.02.11 Central Receiving – Warehouse**

The Warehouse performs receiving of all goods purchased with a purchase order. When the goods are received, the packing slip is pulled from the package and referenced to a purchase order. The purchase order number is verified and the date and number of cartons received is documented on the Warehouse copy of the purchase order.

When Purchasing uses the corporate credit card to place an order, a copy of the requisition used to place the order is forwarded to the Warehouse. This paperwork will be used to identify the shipment.

A delivery slip (see form) is completed with the following information: date package is received, requisitioner's name, the number of cartons received, a description of the items, vendor name and the purchase order number. The delivery slip is attached to the package. The package is delivered to the delivery point and person designated on the purchase order. Once the delivery slip is signed by the requestor, the white copy is kept by the Warehouse and the yellow copy is forwarded to Purchasing and attached to the purchase order.

Any packages delivered to the Warehouse that cannot be referenced to a purchase order will be returned to the vendor.

#### **5.02.12 Receiving Report Approval**

Invoices received by Purchasing will be matched to the proper purchase order. A receiving report (see page 33) is filled out with the account number(s) to be charged, the purchase order number, invoice number, invoice date and invoice amount. The receiving report is attached to a copy of the original invoice and forwarded to the department receiving the goods or services. When the goods have been delivered or the service performed, the receiving report should be signed and promptly returned to Purchasing. Since the credit standing of the University depends on fulfilling its obligation on time (payment), departments should arrange for alternate signatory power in order that staff absences not delay the appropriate approval.

For invoices totaling \$500 or less, the Warehouse delivery slip may be used as payment authorization.

In the event that a budget supervisor feels payment should not be made because a vendor has not met the terms and conditions specified in the purchase order, please notify Purchasing immediately, in writing, of the details surrounding the disagreement. Purchasing will coordinate any corrective action.

#### **5.02.13 Damages and Shortages**

In cases of damage or shortage of shipment, a written report must be submitted immediately to the Purchasing Department, including the following details: purchase order number, date, vendor, extent of damage or shortage.

## **5.02.14 Mistakes in Shipping or Invoicing**

Mistakes in shipping or invoicing must be reported promptly in writing to the Purchasing Department. Refer to the purchase order number and vendor involved. Departments should give sufficient detail concerning the mistake so that proper negotiations and correction of the mistake can be handled with the vendor.

## **5.02.15 Return for Credit**

When vendors have shipped items specified on a purchase order, they have legally complied with their part of the contract and are under no obligation to accept a return for credit any of those items delivered as specified. Acceptance of a return by the vendor is by no means automatic, and a restocking charge may be incurred. This charge will be assessed to the requisitioning department.

Any requests to return supplies or equipment to the vendor for adjustment or credit, which affect the encumbered amount of the purchase order, must be processed through the Purchasing Department.

## **5.02.16 Blanket (Open) Purchase Orders**

This type of purchase order is intended to eliminate small repetitive purchase orders for expendable supplies or services. It is used to encumber a specific amount of funds for a specified length of time. It is generally used in processing preventative maintenance types of requests and lease/purchase or rental orders.

Supplies and services are drawn against these purchase orders, when needed, by a designated representative.

## **5.02.17 University Corporate Credit Cards**

The University Corporate credit card is used for any vendor that will not accept a purchase order (e.g., hotels, airline tickets, internet orders). To place an order and charge the University Corporate credit card, follow the instructions in Section 2.3 – Requisition to Purchase and forward the completed requisition to Purchasing.

## **5.02.18 Departmental Purchase Orders (DPO)**

Departmental purchase orders (see page 34) are to be used for local purchases from University approved vendors as established by the Purchasing Department. A DPO is limited to \$300. A Stetson employee must pick up the items purchased with the DPO. No telephone orders or backorders are allowed. The Purchasing Department controls the issuance of departmental purchase orders. In order to participate in the DPO Program, the budget supervisor must agree to the conditions relating to the use of the DPO.

The budget supervisor or designee must pick up the DPO's from Purchasing. They cannot be sent through campus mail. The budget supervisor will be issued an assigned set of numbered DPO's. The DPO is a commitment by Stetson University to pay for the items purchased locally with the DPO.

When the DPO is used, it must be signed by the budget supervisor and have the account number to be charged written on it. When the goods are received, the person receiving the goods will sign the DPO.

The white copy of the DPO is given to the vendor. Immediately submit the yellow copy of the DPO and the receipt (invoice) to Purchasing. The budget supervisor should keep the pink copy of the DPO and a copy of the receipt for their records. Do not forward DPO's without invoices or vice versa. Because the items purchased with a DPO must be "picked up", a receipt or invoice can always be obtained.

The DPO MUST NOT be used for the goods or services listed below:

- Airline Tickets
- Charter Bus Travel
- Chemicals
- Deposits or Advance Payments
- Fuel
- Furniture (Must be approved by Purchasing)
- Hazardous Materials
- Hiring of Labor
- Honorariums
- Laboratory or Specialty Gases
- Leases
- Office Equipment Annual Service Contracts
- Office Equipment (Scanners, Fax Machines, Printers)
- Office Supplies (Available through America's Office Source or Office Depot)
- Printing – (Available through the Stetson Print Shop)
- Reimbursements
- Telecommunications Telephone orders Travel
- Vehicle Rental (Includes Cars, Golf Carts, Trailers, etc.)

Contact Purchasing for a listing of local vendors that accept DPO's or with any questions concerning the DPO Program.

### **5.02.19 Travel**

Purchasing will assist you in making all travel arrangements – airfare, hotel, conference fees and rental cars.

#### ***Airline Travel***

Because the purchase of airline tickets is essentially the same as the purchase of any other type of goods or services, the Purchasing Department is responsible for handling the procurement of tickets.

If you prefer using a travel agency to purchase your ticket, call a local travel agent and make the arrangements. Complete a requisition form in its entirety, attach a copy of the itinerary from the travel agent showing the flight details and pricing and forward to the Purchasing Department. Please note that incomplete information on the requisition or travel form may cause delay in procurement. A purchase order will be issued for the procurement of the tickets.



Your reservation will normally be held for 24 hours. Purchasing will immediately issue a purchase order and fax it to the travel agent and your tickets will be printed. Failure to get the completed forms to Purchasing may result in an increase in ticket price or sold-out flights.

If you wish to purchase your tickets over the Internet (Travelocity, Expedia, Orbitz, Cheap Tickets etc.), print a copy of the price sheet and itinerary you desire. Follow the same procedure as above. Complete a requisition, an air travel request form, attach a copy of the itinerary from the website showing the flight details and pricing and hand-carry these to Purchasing along with the copy of the desired itinerary. Purchasing will assist you in purchasing the tickets.

### ***Hotel***

Call the hotel and make your reservation.

If the hotel does not require a credit card to secure the reservation, make the reservation, get a confirmation number and ask the hotel to fax or email you a credit card authorization form. Complete a requisition form for your stay. Be sure to include the hotel phone number, fax number, dates of your stay and your confirmation number. Attach the credit card authorization form and forward to Purchasing. We will complete the form and fax it to the hotel for you.

If the hotel does require a credit card to secure your reservation, ask the hotel to fax or email you a credit card authorization form to you. Complete a requisition form for your stay. Be sure to include the hotel phone number, fax number and dates of your stay. Attach the credit card authorization form to the requisition and bring them to Purchasing. We will have you call the hotel and make your reservation. We will then give the hotel the corporate credit card information and get a confirmation number. We will complete the credit card authorization form and fax it to the hotel.

When checking out of the hotel, please get a copy of the portfolio showing all charges for your stay. Forward this to Purchasing – this is used when paying the corporate credit card statement to be sure the correct amount was charged for your stay.

Please contact the hotel prior to your stay to be certain all the necessary paperwork (credit card authorization form and copy of corporate credit card) is on file. If not, please contact Purchasing so this paperwork can be re-faxed to the hotel.

### ***Conference Fees***

If a registration form is available for your conference and it can be faxed to register you, please complete the registration form, a requisition form for the conference and forward these forms to Purchasing. We will put the corporate credit card information on the registration form and fax it to register you for the conference.

If you need to register online, complete a requisition form for the conference and come to Purchasing. You can register for the conference online and we will enter the corporate credit card information to complete the registration.

***Rental car***

The University has corporate accounts with Enterprise and National. Please contact Purchasing to assist you in making your rental car reservation.

**5.02.20 Walmart Cards**

Walmart will no longer take a purchase order or departmental purchase order. Walmart cards are available to departments through the Purchasing department.

When using the Walmart card, please take the gray tax-exempt card (issued by Walmart) with you. This is the only way to ensure your purchase will be tax-free. Immediately after making a purchase, have the budget supervisor approve the original receipt (if the receipt exceeds \$300, have the Dean/VP also approve) and forward the Purchasing. This receipt is used when paying the monthly statement. Failure to forward original receipts to Purchasing in a timely manner will result in suspension of the Walmart card.

Please contact Purchasing if you are interested in receiving a Walmart card.

**5.02.21 Publix Cards**

Publix will no longer take a purchase order or departmental purchase order. Publix cards are available to departments through the Purchasing department.

When using the Publix card, please take a copy of the tax-exempt certificate. This is the only way to ensure your purchase will be tax-free. Immediately after making a purchase, have the budget supervisor approve the original receipt (if the receipt exceeds \$300, have the Dean/VP also approve) and forward the Purchasing. This receipt is used when paying the monthly statement. Failure to forward original receipts to Purchasing in a timely manner will result in suspension of the Publix card.

Please contact Purchasing if you are interested in receiving a Publix card.

**5.02.22 Ordering Office Supplies**

There are several options available when ordering office supplies for your department. Purchasing recommends using America's Office Source or Office Depot.

***America's Office Source***

America's Office Source offers Stetson University substantial savings on office supplies. Stetson receives next day, desktop delivery on most orders. Ordering through America's Office Source is done either online or by phone. If you are interested in ordering office supplies from Office Source USA, contact Purchasing. We will set up an account for you and offer training on how to place orders.

***Office Depot***

Office Depot offers Stetson University substantial savings on office supplies. Stetson receives next day, desktop delivery on most orders. All ordering through Office Depot is done online. If you are interested in ordering office supplies from Office Depot, contact Purchasing. We will set an account for you and

offer training on how to place orders.

### ***Office Depot Cards***

Office Depot Purchasing cards are available for purchases at the local store. Please contact Purchasing if you are interested in an Office Depot Purchasing card.

### ***Please note:***

- All invoices/receipts must be approved by the budget supervisor and Dean/VP signature, then forwarded to Purchasing.
- All charges from America's Office Source and Office Depot will be charged to Banner account number 71101 – office supplies. If you want to charge another account number, please make a copy of the delivery receipt from your order, write the account number you wish to be charged, and forward to Purchasing at Unit 8287. Call Purchasing with any questions about ordering office supplies.

### **5.02.23 Supplier Selection and Quotations**

#### **5.02.24 Interviewing Sales Representatives**

University personnel desiring to contact sales representatives should contact the Purchasing Department for assistance.

#### **5.02.25 Vendor Selection**

Vendors are selected for their capability to serve the needs of the University in the most economical and efficient manner possible. Past performance and cooperation are important factors.

Vendors must comply with the Equal Opportunity Act since it is the policy of the University to promote the full realization of equal employment opportunity. They must comply with all federal, state and local laws and directives.

The University desires to purchase goods and services that are environmentally friendly. Vendor selection will consider this preference.

#### **5.02.26 Disadvantaged Suppliers**

The University affirms the values and goals of diversity and shall endeavor to apply these principles in its purchasing with the objective of fostering greater participation by minority and women-owned enterprises in its procurement activity. This assumes that the goods or services are the best value for the University, consistent with cost, quantity, quality and availability.

#### **5.02.27 Errors in Bids or Quotations**

Vendors are responsible for the accuracy of their quoted prices. In the event of an error between a unit price and its extension, the unit price will govern. Quotations may be amended or withdrawn prior to placing an order. After an order has been issued, no bid may be withdrawn or amended by the vendor unless the Purchasing Department considers the change to be in the University's best interests.

## **5.02.28 The Confidentiality of Bids**

Bids are given to Stetson University in confidence and shall not be revealed to any other vendor or unauthorized person.

## **5.02.29 Demonstration or Sample Material**

University employees wishing to see samples or have equipment demonstrated should contact the Purchasing Department for assistance.

University personnel who find the need to contact sales representatives directly are reminded to advise the prospective vendor that a purchase order will be issued by the Purchasing Department should a procurement decision be made.

Vendors are to provide their own insurance coverage for any material left at the University.

## **5.02.30 Insurance**

Prior to the commencement of any work or services for the University, the vendor must submit evidence of appropriate insurance coverage to the Purchasing Department.

## **5.02.31 Leases**

All forms of lease, lease purchase or rental agreements for the procurement of material or services must be signed on behalf of Stetson University by the Vice President for Finance or his/her designee.

Any agreement that commits the University to payments beyond the current budget year must be signed by the Vice President for Finance.

Regardless of the time period involved in these agreements, a formal University Purchase Order will be issued. The using department should define lease agreement on the requisition, indicating whether it is a new or renewal agreement. A copy of the lease agreement must accompany the requisition.

Prior to accepting lease agreements as submitted by the requisitioning department, the Purchasing Department will analyze each one. This analysis will be made to determine the economic soundness of leasing versus purchasing the goods or services.

Some of the factors, which will be considered in making this determination, are as follows:

- A. Title - Who retains title to this equipment?
- B. Liability - Who is responsible if equipment is stolen or damaged?
- C. Insurance - Does the vendors carry sufficient insurance on their employees when rendering services and/or is their equipment adequately insured?
- D. Maintenance - Are all maintenance costs included in the original cost of the lease or is the University responsible for maintaining the equipment at its own expense?
- E. Pay Back Period - If the University were to make an outright purchase, what is the payback period?

A final and important consideration that will be made in determining lease versus purchase is the

availability of funds. Does the requisitioning department have sufficient budget funds or, in the event of Grant or Contract Funds, does the source of funding provide for this type of expenditure?

### **5.02.32 Sales Agreements**

It is generally in the best interest of the University to refrain from signing sales agreements. Standard terms and conditions governing a University purchase may be found on the reverse side of the purchase order.

If a separate contract is required, the Vice President for Finance will sign for the University only after a properly executed requisition is received. A copy of the agreement will be retained in the Purchasing Department file.

### **5.02.33 Service Contracts**

Certain items of equipment are covered by service contracts in order to assure continuing efficient operation. Forms required by service companies must be signed on behalf of the University by the Vice President for Finance and forwarded to the company with a purchase order.

### **5.02.34 Sole Source**

Certain sole source items may require documentation from the requisitioning department to justify their purchase.

Instances when "sole source" designation is applicable include the following:

- When property or services can be obtained only from one person or firm.
- When competition is precluded because the existence of patents, copyrights, secret processes, control of raw material or similar circumstances.
- When procurement is electric power, gas, water or utility services where it would not be practical to allow a contractor other than the utility company itself to work upon the system.
- When the procurement is for technical services in connection with assembly, installation or servicing of equipment of a highly technical or specialized nature.
- When the procurement is for parts or components to be used as replacements in support of equipment specifically designed by the manufacturer.
- When the procurement involves construction where a contractor is already at work on the site and it would not be practical to engage another contractor.

Final responsibility in determining whether an item is a proprietary item and may be purchased from a sole source rests with the Purchasing Department.

### **5.02.35 Supplier Lists**

The Purchasing Department will maintain a list of persons and firms who wish to supply goods and services to the University. Invitations to bid will be solicited from those vendors whom the Purchasing Department determines will stimulate viable competitive bidding.

## **5.02.36 Supply Sources**

Requisitioning departments are encouraged to suggest sources of supply for unusual items. Authority for the final selection of the vendor, however, shall be left to the Purchasing Department, which will make its decision in light of the overall needs of the University.

Stetson University is eligible to purchase under the Florida State Contract. These contracts cover a number of items in many commodity areas. Whenever possible, prices will be compared to the State Contract prices.

## **5.02.37 Requests for Bids or Quotations**

Competitive bids and/or quotations will be obtained prior to the purchase order being issued, in accordance with the following guidelines:

### ***Up to \$4,999***

Written confirmation on requisition of pricing sources (Two or more).

### ***\$5,000 - \$9,999***

Two written estimates or proposals from the vendor attached to the requisition.

### ***\$10,000 – Up***

Three written estimates or proposals from the vendor attached to the requisition.

When making a purchase using a Federal Grant as a funding source the following Uniform Guidance rules apply (updated 8/13/20, effective 11/12/20):

### **Procurement, Suspension and Debarment Requirements for Federal Grants**

Stetson University is prohibited from contracting with or making sub awards under covered transactions to parties that are suspended or debarred or whose principals are suspended or debarred by the federal government.

**Suspension** – A disqualification from government contracting and subcontracting for a temporary period of time because a company or individual is suspected of engaging in criminal, fraudulent, or seriously improper conduct. Suspension is to be used on an interim basis pending debarment proceedings.

**Debarment** – An exclusion from government contracting and subcontracting for a reasonable, specified period of time because an individual or vendor failed to perform or their performance was inadequate.

The University will assure compliance with this federal regulation with confirmation from the System for Award Management (SAM) (<https://www.sam.gov/portal/public/SAM/>). SAM will be checked before making a sub grant or contract award of any amount to an outside organization. Third party payments associated with federal grants will be reviewed against SAM prior to payment of \$25,000.00 or more.

Uniform Guidance: General Procurement Standards effective 11/12/2020 (200.318)

While many of the key requirements are outlined below, it is important to fully read the procurement sections of the Uniform Guidance, located at 2 CFR 200.318, to ensure compliance.

[https://www.ecfr.gov/cgi-bin/text-idx?SID=e702d5329d0e264650e1ba6bb0df61d8&mc=true&node=sg2.1.200\\_1316.sg3&rgn=div7](https://www.ecfr.gov/cgi-bin/text-idx?SID=e702d5329d0e264650e1ba6bb0df61d8&mc=true&node=sg2.1.200_1316.sg3&rgn=div7)

Some of the general standards over procurement include:

- Every non-federal entity receiving federal awards must have documented procurement procedures that reflect federal law, Uniform Guidance standards, and any state regulations.
- Entities should focus on the most economical solution during the procurement process, and must avoid using federal funds for the acquisition of unnecessary items. Organizations are encouraged to consider the use of shared services and intergovernmental agreements to foster greater economy and efficiency.
- Written conflict-of-interest policies are required. No employee or agent of the entity may participate in the selection, award, or administration of a contract funded by federal grant dollars if he or she has an actual or apparent conflict of interest.
- The organization must document the procurement steps and activities required to be completed. This includes the basis for the type of procurement, contract type, and the basis for the contractor selection and price.
- Ultimately, the recipient of federal awards must maintain an appropriate level of oversight to ensure that contractors perform in accordance with the terms of their contract.

The Uniform Guidance outlines five methods of procurement:

1. Micro-purchase (200.67): The purchase of supplies or services where the aggregate dollar amount does not exceed \$10,000 as of March 31, 2018 (per NSF.gov). When practical, micro-purchases should be distributed among qualified suppliers and may be awarded without solicitations if the price is considered to be reasonable.
  - a. Use own judgment in identifying potential suppliers.
  - b. When possible, use Stetson University discounts
  - c. Documentation of at least two price quotes to support the vendor selection – attach to requisition form and forward to the Grants, Sponsored Research and Strategic Initiatives office for approval.
  - d. Installment payments less than \$10,000 towards a larger purchase are not considered micro-

purchases

2. Small purchase: The acquisition of supplies, services or equipment in the range of \$10,001 to \$150,000. Price or rate quotations, when used, must be obtained from an adequate number or qualified sources prior to making a purchase.
  - a. Documentation for at least three price quotes to support the vendor selection must be submitted, attach to the requisition form and forward to the Grants, Sponsored Research and Strategic Initiatives office for approval.
  - b. Documentation must be in writing from the vendors and may include screen shots from websites, copies of published price lists and advertised pricing in established magazines or journals.
3. Sealed bids: Used for acquisitions costing more than \$150,000, bids are publicly solicited and a firm fixed price contract is awarded to the responsible bidder whose bid is the lowest price.
4. Competitive proposals: Used for purchases costing more than \$150,000, conducted with more than one source submitting an offer, and either a fixed price or cost-reimbursement contracts is awarded. The contract should be awarded to the firm whose proposal is most advantageous to the project, with price being one of the factors considered.
  - a. Please contact the Grants, Sponsored Research and Strategic Initiatives office for assistance with the competitive bid process.
5. Noncompetitive proposals: May be appropriate only when certain criteria are met. For example, when an item is only available from one source, when a public emergency does not allow time for the competitive proposal process, when the federal awarding agency authorized, or after several attempts at the competitive process, the competition is deemed inadequate.

The following rules apply to all purchases:

1. The purchase must comply with Stetson University's documented procurement procedures
2. The purchase must be necessary to carry out the Federal award
3. The purchase must be made with open competition to the extent required
4. The purchase is in compliance with Stetson University's conflict of interest policy
5. The purchase documentation contains sufficient and proper history of the purchase



### Cost Principles and Allowable Expenses

Allowable, Reasonable, and Allocable are the basic considerations for whether a cost can be included in a budget for a Federal award. Though these principles may change depending on the project, they must be used to determine whether the costs are appropriate for a sponsored project. The cost principles relating to expenditures on federal awards are contained in the OMB Uniform Guidance (UG), Subpart E, 200.400-411.

Consider the following cost principles when deciding if a cost is allowable:

#### Cost Principles: Allowability (200.403)

- Is the cost reasonable and necessary for the program?
- Is the expense in compliance with laws, regulations and grant terms?
- To what extent is the expense allocable to the grant?
- Is the cost adequately documented?
- Is it consistent with grantee rules that apply to both Federally funded and non-Federally funded activities?

#### Cost Principles: Reasonable (200.404)

- A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost.
- Consideration: Do sound business practices support the expenditure?

#### Cost Principles: Allocable Costs (200.405)

- Allocable means the good or service can be assigned to an award or cost objective in accordance with the relative benefit achieved.
- If a cost benefits two or more projects, activities, or programs in proportions that can be determined without undue effort or cost, the cost should be allocated to the projects based on the proportional benefit.

While UG provides thorough guidance, some excluded items to note are:

#### Unallowable Expenses (200.420 – 475):

- Alcoholic beverages
- Entertainment costs
- Personal expenses or purchases
- Lobbying
- Participant support costs not specifically addressed in your award letter
- International travel costs not specifically addressed in your award letter

Grant expenditures are processed through the Grants, Sponsored Research and Strategic Initiatives office and are reviewed to ensure they are allowable under the terms of the grant, within the allowed time period, properly authorized and adequately documented. If the invoice does not provide adequate information as to the nature of the charge and how it relates to the grant project, please supply other supporting documents or narrative. Grants Office Policies can be seen [here](#).

The following policies have been provided in order to provide clear guidance as to what costs constitute appropriate charges to federally funded projects, as well as to achieve consistency with University policies.

Sections 200.418 and 419 of the Uniform Guidance addresses special considerations for Institutions of Higher Education ([https://www.ecfr.gov/cgi-bin/retrieveECFR?gp=&SID=2afdb03d8a684bb6fca97ec3b728adf1&mc=true&n=pt2.1.200&r=PART&ty=HTML#se2.1.200\\_1418](https://www.ecfr.gov/cgi-bin/retrieveECFR?gp=&SID=2afdb03d8a684bb6fca97ec3b728adf1&mc=true&n=pt2.1.200&r=PART&ty=HTML#se2.1.200_1418))

Additional Related University Policies:

Section 5.02 Purchasing Policies

Section 5.03 Travel Policies and Procedures

Section 5.04 Employee Reimbursement Procedures

Section 5.05 Purchasing/Purchasing Card

### **5.02.38 Vendor Qualifications**

All vendors doing business with the University are monitored as to how they will perform, particularly vendors doing business with the University for the first time. References are checked and formal interviews conducted when feasible to make sure bidders are qualified.

Departments are encouraged to supply whatever information they may have which will help us evaluate our vendors.

Some of the factors which will be considered when qualifying vendors:

- Has this supplier done business with the University before?
- Has the supplier ever filed for bankruptcy?
- How long has the company been in business?
- What is the return policy?
- What are the payment terms?
- Does the vendor provide goods and/or services that are environmentally friendly and conform to the concept of environmental sustainability?

### **5.02.39 Proven Preferred Vendors**

A vendor may be listed as a "Proven Preferred Vendor" (PPV) if they:

- Have been the successful bidder on three previous occasions, and Have performed at or above expectations, and
- Have a billing system that is compatible with the University, and
- Have a satisfactory return policy, if applicable.

The competitive bid process must be followed when using Proven Preferred Vendors.

### **5.02.40 Special Procurement Policies**

#### **5.02.41 Emergency Purchases**

"Emergency Situations" shall be defined as:

- Any situation which, if not corrected immediately, would result in a hazard to persons or property.
- Any situation which, if not corrected immediately, could result in damage to buildings or facilities.
- A situation that would result in a violation of law, statute, or ordinance established by governmental or regulatory authority, or in any other fashion, if not acted upon, would be seriously detrimental to the interest of the University.

Failure to anticipate a need is not, of itself, considered an emergency.

To initiate an emergency purchase, the authorized person in the department may call the Purchasing Department for an emergency purchase order number. The requesting department must state the nature of the emergency, vendor's name, and address, dollar amount and account number to be charged. The department will be given an emergency purchase order number and be instructed to follow up with a confirming requisition sent to the Purchasing Department within 1 business day of the date the emergency purchase order number was given. The confirming requisition should indicate the

emergency purchase order number and the statement "confirming."

#### **5.02.42 Personal Orders**

Because of the tax-exempt status of the University, the Purchasing Department cannot issue purchase orders for personal purchases. The Purchasing Department staff will suggest possible sources that may offer a discount.

Vendors are under no obligation to offer discounts to individuals, and do so with the understanding that their offer places the University Purchasing Department under no obligation to do business with them except within strict business practices.

#### **5.02.43 Sales Tax**

Stetson University is exempt from Florida State Sales and Use Tax. When requested, the Purchasing Department will furnish a copy of our tax-exempt certificate with the purchase order.

#### **5.02.44 Furniture Purchases**

Furniture purchases must be approved by the Purchasing Department. Furniture purchases are a long-term commitment. Often times the end user of the furniture is not the person that originally ordered the furniture. Because of this, it is important that furniture purchases meet the following criteria: commercial grade, commercial quality, meet OSHA standards, and when placed in service will comply with life safety requirements and utility limitations within the space.

#### **5.02.45 University Warehouse**

The Warehouse, a division within the Purchasing department, serves as the central receiving facility for the University. All goods purchased by the University must be delivered to and received by the Warehouse. The Warehouse is also responsible for controlling the disposition of assets and equipment acquired by and used in the University by faculty, staff and students.

#### ***Central Receiving***

See section 5.02.10.

#### ***Asset Control – Equipment Control***

The Purchasing department routes all information on asset and equipment purchases made by the University to the Warehouse. These items include, but are not limited to, computers, peripherals, digital camera, TVs, etc. The Warehouse will create a property record for these purchases. This record contains a description of the item, make/model, serial or identification number, purchase order number, cost of the item and the custodian of the item. The custodian is generally the person using the equipment.

A property tag will be generated and attached to the equipment. It is the responsibility of the custodian to ensure the safety, accountability and location of this equipment.

#### ***Transfer or Disposal of Assets/Equipment***

When the custodian of equipment no longer has need of the item, the equipment can be transferred to

another user/department or discarded.

When transferring the equipment, a Property Disposal/Transfer form (see form) is completed, signed by the current custodian and the department head. The form is then attached to the equipment and given to the new custodian. The form is then completed by the new custodian and forwarded to the Warehouse. The Warehouse will use the form to change the custodian of the equipment. The Property Disposal/Transfer form is the only way to transfer ownership of the equipment.

When disposing of equipment, a Property Disposal/Transfer form must be completed, signed by the custodian and department head, attached to the equipment and forwarded to the Warehouse. The Warehouse will make the necessary changes to the property record and determine the proper disposal of the equipment.

### ***Warehouse Inventory Items***

Please refer to the listing of items maintained in the Warehouse before ordering supplies from outside vendors. Warehouse inventory items include:

- Requisition Forms
- Copy Paper – both letter and legal
- Printer cartridges
- Toner cartridges for Fax machines
- Batteries
- Grade Books (used by professors)
- Surplus Furniture
- Surplus Office Equipment

Please contact the Warehouse with any questions concerning the items available or to request a listing of these items.

## **5.03 Travel Policies and Procedures**

### **I. Introduction**

#### ***A. Accountability and Compliance***

The University must follow a number of legal requirements imposed by the Internal Revenue Service and Federal and State granting agencies in reimbursing travel expenses. All persons traveling on behalf of the University and those who approve travel expense reimbursements are responsible for knowledge of University travel policies and procedures, and compliance with sponsoring agency regulations governing travel expenditures. All travel expenses are subject to audit by the Finance Office and the University's external auditors, as well as by agencies such as the Internal Revenue Service and Federal granting agencies. The purpose of these audits is to ascertain that the expenses are proper and fully documented. Therefore, it is essential that travelers are aware of the importance of fully documenting their expenses, and Budget Managers recognize their responsibility for critically reviewing travel expense reports prior to approving expenses for reimbursement. All travel reimbursements for travel

through June 15 must be submitted to the Finance Office within 30 days of the end of the trip to ensure timely and accurate processing. Travel occurring during the period June 16 to June 30 must be submitted to the Finance Office by July 15.

This policy is designed to provide guidance about the required procedures and standards applied in approving travel and business expenses for reimbursement by Stetson University. Because a written policy cannot cover every possible circumstance, we urge you to consult the appropriate Budget Manager in advance if you are uncertain about whether an item will be reimbursable. In certain cases, exceptions to this policy may be specifically stated in an employee's employment agreement or hire letter. In these instances, the hire letter or employment contract will supersede this policy to the extent the two may conflict.

### ***B. Definition of Official Travel***

Official travel is defined as movement on official business of the University from one's home or normal place of employment to another destination, and return from there either to one's normal place of employment or to one's home. Commuting between one's home and regular place of employment is NOT official travel. The normal place of employment may consist of more than one campus for certain employees as described more fully in Section III. C.

The University will reimburse employees and others as described below for reasonable, ordinary, and necessary travel and business expenses, provided advance approval is obtained in accordance with this procedure. Individuals will be reimbursed only for expenses deemed to be in the best interest of the University. Remember that University resources emanate from students and their families as well as donors to Stetson. Please be responsible in the use of these funds.

## **II. Approval Procedures for Travel**

### ***A. Prior Approval***

To be eligible for reimbursement, all travel must be approved at least 10 days in advance by the appropriate Budget Manager of the reimbursement source. Travelers are expected to secure the best possible price for transportation and accommodations.

### ***B. Post Travel Requirements***

Travelers are required to complete the Travel and Expense Report to document compliance with this policy, obtain the appropriate Budget Manager's signature and submit their request for reimbursement to the Finance Office within 30 days of the trip. Travel undertaken during the period of June 15 to June 30 must be submitted no later than July 15. Budget Managers need to obtain their supervisor's signature prior to submitting their requests for reimbursement to Finance.

## **III. Guidelines for Reimbursable Travel Expenses**

### ***A. Student Academically Related Travel***

Expenses incurred by students must relate directly to the educational purpose of the travel. If approved in advance, this travel is reimbursable in accordance with these guidelines unless specific modifications

to this policy are included within the prior approval.

***B. Employee Travel***

To qualify for approval, travel must bear a reasonable relationship to the employee’s job responsibilities at the University. Examples of appropriate travel for employees include, but are not limited to:

1. Participating in professional conferences, seminars, association activities or other educational programs relevant to the employee’s assignment.
2. Official representation of the University at meetings or events. The University will not pay for travel expenses incurred in performing any consulting or legal representation, whether compensated or uncompensated, for any other institution, organization, firm, agency, or individual.
3. Travel to an off campus work location during the day as part of the regular assignment will be reimbursed at the allowable rate based on miles driven to and from the off campus location. Unless the employee’s position requires less than ten mile, multi-point travel several times per week such as Career Development staff, travel to destinations within a ten-mile radius of each campus or travel covered in III.C. is not reimbursable. Frequent, multi-point travel reimbursement submission should be requested on a monthly basis.

***C. Intercampus Travel***

The University is composed of three separate campus locations: DeLand, Gulfport, and Tampa. Travel between these locations is covered in this section. Please see Appendix A, Intercampus Travel Distances and Rates, for standard distances and reimbursement amounts to compensate for travel between these campuses.

Full-Time Faculty are eligible for mileage reimbursement as identified in Appendix A regardless of whether their course is being taught in-load or above the standard teaching load. Part-time and Adjunct Faculty are not eligible for mileage reimbursement. Travel to intercampus voluntary work assignments outside of an employee’s regular duties, are also not eligible for reimbursement.

***D. Eligibility of Employees on Leave***

Normally, employees are not eligible for expense reimbursement while on unpaid leave of absence from the University, unless the employee is requested to represent the University at a professional meeting, event, or other activity. A sabbatical is considered a paid leave; therefore, faculty on sabbatical typically will be eligible to receive reimbursement for pre-approved, University-related travel expenses.

***E. Non-Employee, Spousal or Other Dependent Travel Expenses***

Except as indicated for guests of the University, no travel expenses, transportation, lodging, meals, or registration fees, etc., for spouses or other persons accompanying employees on University travel will be reimbursed unless such travel significantly benefits the University and is specifically approved in writing by the traveler’s Vice-President, Provost, or Director of Athletics in advance.

Approval is necessary to document whether the spouse’s or other person’s expenses may be reimbursed on a given trip.

Reimbursed travel expenses of spouses or other persons accompanying employees on travel for University purposes will be reported as taxable income to the employee unless (1) the activities performed by the spouse are necessary and required as put forth in IRS guidelines, (2) the travel of the spouse or other person is for a bona fide business purpose of Stetson University, AND (3) the expense would otherwise be deductible by the spouse or other person. NOTE: ALL THREE (3) CONDITIONS MUST BE MET IN ORDER TO COMPLY WITH IRS REGULATIONS.

### ***F. Group Travel***

Students traveling as groups or teams are to be sponsored by a faculty or staff person(s) who will be responsible for complying with the University policies for travel and expense reimbursement. For these trips, one Travel Expense Form should be completed, and a list of travelers attached.

If a person on official travel is accompanied by a person not on official travel, and the expenses for travel, accommodations, or other services are incurred jointly by such persons, then reimbursement by the University to the person on official travel is limited to the actual expenses attributable to the traveler, or to the amount that traveler would have incurred if traveling alone.

### ***G. International Travel***

Foreign travel supported by University funds should be approved in the same manner as domestic travel. Travelers should follow the same documentation standards as outlined in this policy for all foreign travel expenses. It is recommended that travelers consult with the Office of Risk Management for any special insurance requirements, as these may differ from those for domestic travel.

### ***H. Pay for Travel Time (Non-Exempt Employees Only)***

In accordance with U.S. Department of Labor guidelines for the payment of travel time by non-exempt employees, employees should record compensable travel time on their biweekly time sheet. The paragraphs below describe common instances when travel time will and will not be compensated.

1. Normal Commuting and Travel During Work Day: Before the scheduled workday commences, and when an employee commutes from home to work and, at the end of the day, from work to home, the time spent in ordinary transit normally is not compensable time. But as a general rule, once the regularly scheduled workday begins, time spent by an employee in travel as part of his or her activities on behalf of the University, travel, including travel between the four campuses, is compensable. For employees who are assigned to more than one of Stetson's four campuses, normal commute time to either campus is not compensable.
2. Special One-Day Assignments: In limited circumstances, the time spent traveling from home to work, or vice-versa, may be compensable. For example, time spent traveling on a special one-day assignment to a location other than the employee's main place of work, performed at the University's request, is generally compensable time, except for that time that would constitute the employee's usual travel to and from his or her work location. Example: Employee's ordinary commute time to and from his or her usual worksite is 30 minutes at the start and end of each day, for which the employee is not compensated. On one occasion, Employee travels to a location other than your main place of work on business for an 8:00 a.m. meeting and returns



home that evening at 7:00 p.m. The time between 8:00 a.m. and 7:00 p.m. is compensable, except for one hour that constitutes employee's usual non-compensable travel time.

3. Overnight Travel to Other Locations: For overnight trips out of town (e.g., attending a conference), including hours on Saturdays, Sundays, and holidays, all time spent is compensable work time when it corresponds with the employee's regular working hours. Hours spent in travel outside of regular working hours as a passenger in a car, train, or airplane, etc., are not counted as compensable time.
4. Questions: Please direct questions about applying travel pay to non-exempt employees to Payroll.

### ***I. Transportation***

Reimbursement of travel expenses will be based on the following general considerations:

1. The mode of travel should be the most economical means reasonably possible. Reimbursement normally will be made at this rate only. However, if time and convenience of the traveler and time away from the University cause a traveler to select a mode of travel other than the most economical, those factors will be considered in the computation of reimbursement.
2. Travel, including the mode of travel, should be approved before purchases are made.
3. Reimbursement for air, rail, rental vehicles, and taxicabs must be evidenced by original receipts issued by the carrier.
4. Travelers who choose to use their own automobiles on a trip for which air travel is more economical will be reimbursed for an amount not to exceed the least expensive, logical airfare to the destination.

- a. Automobile

For approved business travel, use of the traveler's automobile will be reimbursed at the current State of Florida rate per FL Statutes Section 112.061(7)(d)a. The current rate is published on the Travel Expense Reimbursement Form. For approved travel related to relocation, use of the traveler's automobile will be reimbursed at the lower of 24 cents per mile or the standard relocation mileage rate established by the IRS and in effect at the time the travel occurred.

In addition, travelers will be reimbursed for reasonable parking costs, bridge tolls, and turnpike tolls.

The University will not reimburse mileage for travel either to destinations within a ten-mile radius of each campus or for travel between Tampa Law Center and Gulfport unless specifically approved in advance. The University will not reimburse employees for parking tickets, fines for moving violations, or vehicle towing charges. The University will not provide reimbursement for vehicle repair or servicing costs, regardless of cause.

If an employee drives to a location other than his or her primary campus (place of employment) for a meeting, conference, etc. that exceeds the ten mile radius from their

primary campus and then drives to his or her primary campus, the University will reimburse the employee for the difference between the total miles driven before arriving at the primary campus, less his or her normal commuting mileage. Likewise, if an employee drives from the primary place of employment for a meeting, conference, etc. that exceeds the ten mile radius and then returns to their home without returning back to the primary campus, the University will reimburse the employee for the difference between the total miles driven after arriving at the primary campus, less any one-way normal commuting mileage.

It is the responsibility of the vehicle owner to provide adequate primary liability insurance for bodily injury and property damage. The University does not provide this insurance coverage on non- University owned vehicles.

If an employee is reimbursed for mileage, he or she will not be reimbursed for the cost of fuel.

b. Using University Vehicles (College of Law only)

Travel in a University-owned vehicle may be arranged in advance, subject to availability, but is not mandatory. Employees must be on the approved driver list maintained by Human Resources before they are permitted to check out and drive a University vehicle. To be placed on the approved driver list, the employee must submit to a check of his or her driving record; the University must then submit that information to its insurance carrier, which must issue an approval before the individual drives a University-owned vehicle.

Reservations for a College of Law vehicle should be made through the College of Law Public Safety Department. Reservations are typically made on a first-come, first-served basis, but priority may be based on institutional needs and special circumstances. Consequently, in some instances, a reservation may be changed or cancelled.

When an employee checks out a University-owned vehicle, Public Safety will also issue University gasoline credit cards. Attach receipts or stubs for charges to these cards to the mileage report, which should be submitted to Public Safety at the end of the trip. Record the vehicle license number on each receipt or stub. Expenses charged to the University credit card should be included on the travel expense voucher, but are not reimbursable to the traveler. University credit cards may not be used for any personal expenses.

c. Vehicle Rental

Renting a vehicle is permitted under limited circumstances. Rental vehicles should be used only if less expensive than a taxi, if a taxi is not available, or if the total rental including gas will be less than the cost of using a personal automobile. If you request a rental car, please provide a short written justification when you submit your travel

request for approval. Also, before arranging for a rental, check with Purchasing (DeLand campus) or the Business Office (College of Law) for any negotiated corporate or business discounts available to the University. When an arrangement is available but not used, reimbursement may be limited to the lower of the discounted rate or the actual cost, unless an adequate reason for not using the corporate program is given. Rental arrangements are also subject to the following restrictions and considerations:

- i. A traveler is expected to rent a mid-size or smaller vehicle unless a larger car is required by the number of bags and/or travelers in the University group.
- ii. Gasoline charges on a rental car will be reimbursed with submission of an original receipt and the rental agreement.
- iii. Reimbursement for rental cars will be made promptly upon submission of a Travel Expense Report for the trip, documented by an original rental agreement. Credit card receipts are not sufficient for reimbursement.
- iv. Rental Car Insurance: Eligible University employees traveling domestically ON University related business are covered under the University's automobile policy (for collision damage/loss and liability insurance) and should check "decline" when renting a vehicle. To be eligible, the employee must be on the University approved driver list. Those who need to rent a vehicle for university business and are not yet on the University Approved Drivers List should contact Risk Management. Employees traveling internationally must obtain "Collision Damage/Loss" and "Liability" insurance by checking off the "accept" indicator for insurance with the car rental agency.

d. Airlines

Traveling by air is limited to coach class unless approved in advance by the appropriate Budget Manager for good cause. Good cause typically will be limited to a documented significant health or medical reason that reasonably necessitates travel at a higher class. However, good cause also would include a situation in which the University requires the employee to make an unscheduled trip on an emergency basis and no coach tickets are available. Only the original airline ticket or electronic ticket receipt can serve as a receipt for air travel; the itinerary alone is not sufficient. Airline reimbursement is also subject to the following restrictions and considerations:

- i. Checked baggage: Unless a waiver is granted in advance by the appropriate Budget Manager, for travel of three or fewer days in duration, the University will pay the cost of one checked, but not overweight, bag — if a checked bag cost is assessed by the airline. For travel between four and seven days, the University will pay the cost of two checked, but not overweight, bags — if assessed by the airline. With approval from the appropriate Budget Manager, the University will pay for checked baggage that contains equipment or other materials related to the purpose of the travel. However, the traveler should assess whether these materials can be sent via mail or overnight delivery at a more economical rate.

- ii. Other airline fees: Airlines have been adding a variety of new fees. Generally, the University will not reimburse various airline fees other than for food or other items purchased during the flight if and to the extent those expenses would be reimbursed under other circumstances. The University will not reimburse a traveler for alcohol consumed on a flight.
- iii. Lowest possible fare/travel time: Reservations should be made using the lowest possible fare, regardless of airline. Travelers are cautioned that airfares may vary significantly during the course of a single day, with the highest fares charged during peak travel hours. Travelers are urged to conserve University funds by traveling during off-peak hours whenever reasonably possible. Some discount airlines, including Southwest or Allegiant (SFB-Sanford and TPA-Tampa), do not sell tickets through the major travel reservation websites such as Orbitz, Expedia, and Travelocity. Travelers are therefore urged to check Southwest and Allegiant or other available airline websites before purchasing plane tickets. Travelers may use travel websites such as Orbitz, Expedia, or Travelocity to find the lowest airfare. Unless good cause exists to purchase from such a site, travelers must purchase their tickets directly on the airline website to avoid unnecessary service charges. Alternatively, for faculty at the College of Law, Faculty Support Services will make reservations upon request. University travelers may travel at a higher class without approval, so long as the requested reimbursement is at the coach rate.
- iv. Airport parking: When parking at airports, travelers should use the least expensive parking appropriate and available subject to safety and disability concerns. For example, an employee traveling without luggage should use economy parking; those traveling with luggage may use long-term parking, but are encouraged to park in economy parking. Short-term parking should be used when picking up a traveler, or when a traveler has a physical condition that necessitates it.
- e. Rail  
Rail travel should be by coach class, unless overnight travel is involved. Only the original rail ticket serves as receipt. Travel using the auto-train must be approved in advance by the appropriate Budget Manager
- f. Taxicabs/Limousine  
Taxi or limousine travel, when appropriate, will be reimbursed if properly substantiated by the original receipt. Airport limousines, hotel shuttles, or buses should be used whenever reasonably possible, if less expensive than taxis.

### ***J. Lodging***

Travelers are expected to use economical accommodations. In addition, the following specific guidelines apply:

1. Reimbursement for lodging may not exceed the normal rate for a standard room.

2. If an individual is attending a convention or conference, using the convention or conference hotel is appropriate, but not required. However, if the individual elects not to stay at the convention or conference hotel, reimbursement is limited to the lower of the actual or conference/convention rate. Should the rate of a conference hotel exceed market rates for the area, travelers are encouraged to stay in a non-conference hotel.
3. Under all circumstances, travelers should request the lower corporate or educational institution rate when available. Please see Purchasing Policies and Procedures for specific discount and booking rules.
4. Reimbursement requests must be documented by an original itemized hotel bill and receipt, and is limited to room and tax (if required), business phone calls and one personal phone call home (of reasonable duration, not to exceed \$10.00 per day) if away overnight, and fixed-rate Internet service if necessary to complete University business. For travel within Florida, the sales tax exemption should be requested (see Section P below).
5. Normally, the University will not reimburse items and services such as dry cleaning and replacement clothing. If the individual is away for more than five days, reasonable laundry costs may be reimbursed if approved in advance by the appropriate Budget Manager.
6. Tips for valet, baggage handling, housekeeping, and other services are reimbursable as long as they are reasonable for the type of service provided.

### ***K. Meals***

To subsidize the cost of food while traveling on approved Stetson business (not including faculty members teaching in Stetson study-abroad programs), travelers may receive reimbursement in accordance with the following policy, and the information published by the U.S. Government General Services Administration ("GSA"), found at: <https://www.gsa.gov/travel/plan-book/per-diem-rates>:

1. Travelers may be reimbursed up to the standard per diem rate for meals as listed on the GSA website. For travel to more expensive cities, faculty or staff may be reimbursed up to the meals per diem set for the relevant city by the GSA, upon approval by the appropriate Budget Manager.
2. Reimbursement will not be provided when meals are covered by conference or registration fees. Conference schedules or related URL must accompany any requests for reimbursement related to conference attendance.
3. Meal expenses above and beyond the per diem will not be reimbursed without good cause and advance approval.

### ***L. Entertainment***

Entertainment is defined as meals, beverages, and event admission costs for non-employees deemed to be in the best interest of the University, e.g., local visit by a candidate for a position within the University.

Entertainment expenses may either occur while on travel or locally. Authority to incur entertainment expense must be properly approved in advance by the appropriate Budget Manager and documented by receipts and records indicating name(s) of guest(s) and justification for the expenditure.

Expenses incurred primarily for the benefit of University faculty or staff members are considered personal expenses and are not reimbursable. Business meals are allowable if the individual establishes that the meal is directly related to the active conduct of University business and they have been approved in advance by the Budget Manager. If the meal expense is incurred in connection with a substantial and bona fide business discussion, then it must be established that the expense is required for the active conduct of University business. The individual must substantiate the expense by including where the activity took place, who attended, and what was discussed. Expenses for business meals will not be allowed for food or beverages to the extent that such expense is lavish or extravagant under the circumstances.

### ***M. Receipts***

All claims for reimbursement of the expense items listed below must be documented by the original receipted bill or by a vendor-certified copy of the receipted bill. Photo copies, credit card receipts, or facsimile copies are acceptable only in unusual circumstances.

Transportation by airline, railroad, rental vehicle, taxi or limousine; Parking and tolls (if more than \$10.00);

Accommodations for lodging;

Registrations (attach official printed receipt, or canceled check and copy of literature itemizing fees);  
Supplies and miscellaneous expenses (e.g., a long-distance telephone charge that did not originate from a University telephone);

Meal receipts for entertainment purposes, which must include an itemization of food and drink consumed and the number of persons served (a summary credit card receipt is not sufficient documentation).

Any other item of tip or service expense that exceeds \$10.00 (all expenditures of this type should be fully explained on the Travel Expense Report.)

### ***N. Submitting Travel and Expense Reports***

Travelers must sign and submit their Travel Expense Report to the appropriate person no later than 30 days after the end of the individual's trip except that all travel for June must be submitted no later than July 15 due to the closing of the fiscal year. Reimbursement may be denied if the report is submitted late, especially if the report is submitted after the fiscal year has ended (June 30).

### ***O. Cash Advance***

In the unusual case where a cash advance is necessary, an employee can request by submitting a check requisition supported by a copy of the approved travel form. Please allow at least one week for processing. The cash advance must be cleared by reporting on the Travel and Expense Report and be documented by appropriate receipts.

Cash advances are to be reconciled via submission of the Travel Expense Report no later than 15 days

after the end of the individual's trip. If the cash advance exceeded the actual expense incurred, the return of excess funds must accompany the Travel Expense Report. Expense advances not accounted for by cash within 15 days after the end of the trip may be deducted from the employees' paycheck provided the proper authority was obtained when requesting the cash advance. The individual may also be disqualified from receiving future advances.

To comply with audit standards, a cash advance normally should not exceed \$500, and cannot exceed \$1,000 without the signatures of both the Budget Manager and the Associate V.P. for Finance (DeLand campus) or Executive Director of Business Operations (College of Law). A cash advance normally will not be appropriate for items that can be covered with a University check or credit card.

### ***P. Sales Tax Exemption***

Travelers are expected to claim exemption from payment of state sales tax when possible. Tax exemption certificates are available in the Business Office and should be presented upon registration for lodging, car rental, and wherever else possible.

## **IV. Other Reimbursable Business Expenses**

### ***A. In General***

In addition to travel, the University reimburses employees for other business-related expenses. To be reimbursable, the business expense must be approved in advance and must bear a direct relationship to the employee's position and responsibilities. In addition, in the case of any meal or entertainment expense, the person attending with the most senior title normally must put the expense on his/her expense report to facilitate review by a more senior person not attending. Examples of expenses eligible for reimbursement include the following:

- Reasonable professional dues or membership fees for professional associations directly related to an employee's job (reimbursement limited to one per year and not to exceed \$250 except at the College of Law with advance approval by the Dean of the College of Law);
- Reasonable office services while traveling (i.e., faxes, copies, overnight delivery/postage);
- Currency conversion fees;
- Business gifts of reasonable value with advance approval;
- Seminar fees/training classes with prior approval;
- Subscriptions with prior approval; and
- Reasonable expenses for condolence or recognition to the extent permitted by University guidelines on this subject, or otherwise approved by the appropriate Budget Manager.

### ***B. Approval for Other Business Expenses***

All check requests, credit card statements, or other forms related to payment or reimbursement must be approved by an authorized reviewer in the Business Office. The authorized reviewer is responsible for ensuring compliance with this policy and must verify that expenses are reasonable and meet the terms of this policy. In the case of grants, the Business Office will also verify the appropriateness of any



expense based on grant terms and restrictions. Authorized reviewers may not authorize reimbursement of their own expenses.

### **V. Use of University Credit Cards**

Please see the separate credit card policies for the College of Law and DeLand campuses as well as specific guidelines for Direct Pay Credit Card Procedures and Employee Reimbursement Policy NOTE: The University purchasing card system is in a transitional process with the eventual goal to operate with a single credit card solution.

### **VI. Travel and Business Expenses for Non-Employees**

Travel and business expense reimbursement for individuals other than University employees, such as guest speakers, consultants, and prospective employees are subject to these same guidelines, including the requirement of advance approval. The University will not reimburse travel expenses for family, friends, or other guests of an employee on University business unless approved in advance in writing by the appropriate Vice President, Provost, or Director of Athletics or specifically provided for by a written contract of engagement.

### **VII. Non-Reimbursable Travel and Business Expenses**

#### ***A. In General***

The following expenses will NOT be reimbursed. The following list is not to be considered all-inclusive, and a rule of reasonableness will be applied by the appropriate Budget Manager.

Entertainment expenses for faculty and staff members when only faculty and staff members are involved and not otherwise justified as necessary travel or required for University business. Examples include but are not limited to one employee buying another lunch (even if University business is conducted during the lunch); a department head taking employees to lunch; office parties; etc. Exceptions may be recognized if specific advance approval is requested and granted, e.g., for approved recognition events such as a retirement, or when committee meetings are scheduled during the lunch hour and a meal is served on campus. These expenses typically should be built into a departmental budget and approved by the appropriate Budget Manager.

Repair or insurance of personal automobiles; Home internet service;

Theft, loss or damage of personal luggage, property and effects or theft/loss of cash advance money; Membership dues in private or social clubs, organizations, health clubs, gyms, and the like;

Political or charitable contributions;

Passenger insurance (flight insurance) or other non-compulsory insurance coverage, unless the policy specifically requires the insurance to be elected;

Personal credit card annual fees, interest charges or delinquency fees; Day-care or babysitting fees for children;



Boarding or kennel charges for pets;

Fees for upgrades of air, hotel, or automobile or other mode of travel;

Golfing, green fees or golfing cart rental, unless part of approved development activity;

Personal grooming or spa services, such as barbers, nail services, hairdressers, massages and shoe shines;

Medicine or toiletries;

Movies (either in-room, in-flight or at the theater) and movie expenses, such as headphones on airlines;

Expenses for travel incurred by companions or family members, except as approved in advance, as noted above;

Expenses related to vacation or personal days while on a business trip; Excess baggage charges, except as noted above;

Avoidable "no-show" charges for hotel or car service;

Tips exceeding 20%, and, in most instances, tips in addition to pre-applied gratuity; and

Parties and gifts for employees except, where provided for by recognition guidelines or otherwise approved by the appropriate Budget Manager.

### ***B. Exceptions***

The appropriate Vice President or the Director of Athletics has the sole authority to approve exceptions to this policy, in compliance with audit standards. Approved exceptions must be explicitly justified as beneficial to the University, must be justified in writing (and typically in advance), and generally require the recommendation of the individual's department head or supervisor.

### ***C. Enforcement***

Failure to comply with the policies pertaining to documentation of expenses in this policy will result in non-payment of expenses to employees, in addition to other possible consequences, as appropriate.

*Adopted \_\_\_\_\_; updated \_\_\_\_\_.*

## Appendix A – Intercampus Distances and Rates

The following table contains the total miles, one-way, between each campus:

From / To	DeLand	Tampa	Gulfport
DeLand	-	122	148
Tampa	122	-	-
Gulfport	148	-	-

The following table contains the total reimbursement amount, one-way, between each campus at the current State of Florida rate of \$0.445 per mile:

From / To	DeLand	Tampa	Gulfport
DeLand	-	\$54.30	\$65.90
Tampa	\$54.30	-	-
Gulfport	\$65.90	-	-

Effective August 15, 2020

**Appendix B - Policy on Faculty Travel Stipends to Reimburse Faculty for Multi-Campus Related Instructional Travel for Assigned Course Instruction (UPDATED AUGUST 2020)**

**Introduction**

This policy supplements Stetson’s current Travel Reimbursement Policy and addresses travel expenses associated with full-time Stetson faculty with instructional travel between Stetson’s campuses for an assigned course. This policy was developed to establish a University-wide policy to ensure that travel expenses incurred by full-time faculty conducting cross-campus instruction are sufficiently covered and minimize (and improve in some cases) the financial impact to faculty. The policy went into effect on January 1, 2015, with first revision effective as of August 15, 2016, the second revision effective as of August 15, 2017, and the current revision effective as of August 15, 2020. The policy will continue to be revised and updated when significant changes in rates or assumptions change. Department Chairs and Deans are expected to minimize cross-campus travel wherever possible.

**Travel Stipend Reimbursement Temporarily Halted Until Further Notice**

Faculty travel for cross-campus-related instructional travel will be reimbursed for mileage, tolls, and also hotel stays for sites greater than 75 miles one-way, with a maximum amount based on the GSA rate for the area unless approved in advance by the Office of Academic Affairs. Faculty can receive reimbursements by processing a travel reimbursement form or check request on a monthly or end of semester basis. Receipts for tolls and hotel expenses will be required. The maximum reimbursement rates for the sites that cross-campus instruction is being delivered to are listed in the following table:

From/To	To/From	Maximum Reimbursement Per Trip						
		Mileage via Rt 417 (1 way)	Mileage \$.445/mile Round Trip	Tolls (Cash) Round Trip (Rt 417)	Hotel May-Dec (GSA Rate)	Hotel Jan-Apr (GSA Rate)	Total (May-Dec)	Total (Jan-Apr)
DeLand	Valencia Osceola Campus	69	\$61.41	\$12.00	NA	NA	\$73.41	\$73.41
DeLand	Lake City	136	\$121.04	NA	\$96.00	\$96.00	\$217.04	\$217.04
DeLand	Gulfport	148	\$131.72	\$18.00	\$122.00	\$158.00	\$271.72	\$307.72
DeLand	Tampa	122	\$108.58	\$18.00	\$122.00	\$158.00	\$248.58	\$284.58
DeLand	Flagler	33	\$29.37	NA	NA	NA	\$29.37	\$29.37

Faculty will be reimbursed for travel expenses for one course per semester taught during fall, spring, and summer semesters for courses with 15 or fewer class sessions. Courses with greater than 15 class sessions will be considered on a case by case basis.

Travel reimbursement is provided based on actual travel expenses incurred. For multiple eligible courses that meet on the same day at the same location, only one travel trip will be reimbursed. Travel reimbursement for additional trip(s) for advising and/or classroom preparation must be approved by the Office of Academic Affairs in advance.

Faculty traveling more than 75 miles one-way between campuses (i.e., between DeLand/Lake City, DeLand/Tampa, and DeLand/Gulfport) may be reimbursed for lodging at the approved per diem rates if lodging is unable at the destination campus.

Originally effective 01/01/2015; Revised 2016, effective 08/15/2016; Revised 2017, effective 08/15/2017, revised July 2020, effective 8/15/2020

### **5.04 Employee Reimbursement Procedures**

Per IRS regulations, under the accountable plan rules, ALL reimbursement payment requests must have a detailed itemized receipt documenting the purchase. Proper documentation of all University expenses is also mandated by Generally Accepted Accounting Principles (GAAP). All receipts, along with the appropriate form (Check Request Form, Travel Reimbursement Form or Procurement Card Allocation Form – credit card direct pays only), must be submitted. Individuals who receive a corporate credit card are responsible for completion and submission of the monthly reimbursement or reconciliation within the timeframe necessary to pay the billing by the designated due date. Please see the Stetson Travel Visa Card Policy for further guidelines.

#### **Responsibilities**

It is the responsibility of the purchaser to obtain any missing receipts from vendors, as well as dispute an inaccurate/or unauthorized credit card charges which occurred. The purchaser has first-hand knowledge of the purchase transaction, is therefore better equipped to handle the disputes or locating of lost receipts. Purchasers will be financially responsible for any credit card purchases where the receipts and/or proper documentation have not been submitted.

#### **Substantiation**

Only original receipts will be accepted. Please do not submit copies or facsimiles of receipts, as these will be returned. The following guidelines relate to specific types of reimbursement, where additional documentation may apply:

##### ***Air or Hotel Travel***

Where airfare or other accommodations are not booked directly through Purchasing, the original itinerary, along with the form of payment on the actual ticket (e-ticket) or the Internet booking receipt should be attached. (The original itinerary itself is NOT an adequate receipt.) Hotel charges should be substantiated by the hotel portfolio, showing all charges paid in full. Any miscellaneous charges included on the hotel bill should be reasonable, itemized and explained to justify business purpose.

##### ***Travel Meals***

Should be documented with original itemized receipts. Credit card receipts must include the original itemized receipt. Costs incurred for meals should be reasonable, and include the names and business purpose if they include additional people besides the cardholder. Please note these rules apply only to meals away from home, and not meals for University business while in town – please see "Entertainment Meals" substantiation requirements.

## ***Entertainment Meals and Expenses***

Under the IRS "entertainment" rules, the meals must meet the business requirement test to be paid with University funds. Otherwise, the meal is deemed a personal expenditure. To meet this test, the purpose of the meal must be the active conduct of business for the general expectation of getting some specific business benefit at some future date (i.e. meetings with potential donors, vendors, prospective faculty or staff, etc.) Meals with outside parties generally meet the IRS requirements. Along with the itemized receipt(s), you should provide the purpose of the meal or event, as well as the attendees.

## ***Office Supplies, Equipment or Internet Purchases***

Supplies or capital acquisitions should always be processed through the Purchasing Department, using a Stetson Purchase Order form with the appropriate budget and approval. This allows Purchasing to fully utilize Stetson's vendor relationships for price economies and to insure our sales tax exemption is enforced. In those cases where items must be purchased and paid with an employee credit card, an original invoice or itemized receipt should be attached. In the cases of Internet purchases, a prepaid invoice (sent with the item) or website order form (showing full payment), should be attached.

## ***Other Expenses, Incidentals***

Generally, all expenses will require an original receipt; however certain expenses, due to their nature and amount will be exempted from this requirement – parking fees and tolls less than \$5.00, and any other item of tip or service expense less than \$25.00. Note that these types of expenditures should be fully disclosed in the Travel Expense Report.

## ***Expense Codes for Completing Check Request Form***

All employees submitting the required documentation should allocate the costs to the appropriate Banner Fund-Org-Account-Prog (FOAP) line. For the Travel Reimbursement Form the account codes are listed by the expense description, only the Fund, Org and Prog code (if applicable) is required. The correct fund, org and program code should designate the correct department or other restricted/endowment fund for charging the expenses. The form(s) should also include the appropriate Budget Supervisor approval prior to submission. Please note that the individual signing the form will be held accountable for any issues presented during audit.

The receipts should be subtotaled by expense classification; according to the following possible account codes (please note this list is not all-inclusive):

- Travel (including travel meals) – 70604
- Meals & Entertainment – 71705
- Conferences registration fees – 70501
- Memberships & dues – 71706
- Office Supplies (non-capital) – 71101
- Other supplies (non-capital) – 71106
- Classroom supplies (non-capital) – 71102
- Capital expenditures – please leave blank, to be filled in by A/P

## ***Sales Tax Reimbursement***

Stetson University is a tax-exempt organization and has a sales tax exemption in the State of Florida. Reimbursement of sales tax on purchases is generally not permitted. This applies to both employees and students. Sales tax on purchases can be avoided by using a Purchase Order or other pre-approved University purchasing procedures. With a University credit or procurement card, and/or cash purchases (employee-purchased), please note the purchaser is responsible for identifying the purchase as tax-exempt at the initiation of the sale. Removal of the sales tax is not automatically done by the vendor, you must request it. If you need a copy of our tax-exempt certificate and information, please make a request with the Finance Office, Elizabeth Hall, Room 110.

## **5.05 Stetson MasterCard Purchasing/Travel Card Program**

Please see policy on the P-Card page at the following link:

<http://www.stetson.edu/administration/finance/media/P-CARD%20%20Policy%20DeLand%20July%2014%2016%20.pdf>

## **5.06 Consultant Use Policy**

- *Revised 01-19-2012*

This policy is designed to facilitate the appropriate use and oversight of outside consultants. A "consultant" is an individual or organization engaged to provide professional advice or services for a fee and has the legal status of an independent contractor. Faculty members, employees, and guest lecturers, speakers, or performers are not considered consultants.

- A. Approval Process: Before a consultant can be retained, the unit requesting a consultant must demonstrate that a substantial need exists, the services can be better provided by a non-university employee, funds are available, no conflict of interest exists, and the proposed cost is reasonable. When possible, more than one consultant should be considered. The unit leader must submit a written recommendation and justification to the appropriate approving authority listed below for review and a decision. When more than one unit will be responsible for the cost, all units involved must concur in the recommendation. Any additional requirements set forth under an external contract or grant also must be followed and included in the written recommendation. When one of the approving authorities initiates the process, the same factors will be used and documented.

Final approval for DeLand academic units rests with the Executive Vice President and Provost. Final approval for DeLand administrative units rests with the Executive Vice President and CFO. For College of Law units, the Vice President and Dean for the College of Law will first approve all consulting agreements before seeking the approval of the Executive Vice President and Provost or the Executive Vice President and CFO, as applicable.

- B. Contracting Process:
  1. After a specific consultant is approved, but before work is performed or payments are

made, a written contract for services must be negotiated and then signed by an authorized University representative. A standard contract form is available from the Finance Office for DeLand units, and from Legal Affairs for College of Law units.

2. Although consultant agreements will vary, they typically must include a brief description of the engagement; the cost and scope of work; specific deliverables and expectations; key dates and the end date; appropriate language regarding independent contractor status; an indemnification clause; payment terms (a consultant cannot be paid through University payroll); and when applicable, provisions related to insurance requirements, conflict of interest, audit rights, and confidentiality.
  3. The term of a consulting agreement generally should not exceed 12 months. Contract renewals and extensions must be reevaluated and reapproved at least annually using the factors and process in Section A above.
- C. Oversight: The unit leader who initiated the request, or another person designated by the appropriate approving authority, must monitor contract performance and compliance, which includes ensuring all contract conditions and requirements are met, necessary paperwork (e.g., W-9 forms or insurance certificates) is collected, invoices are timely paid, promised deliverables are received on schedule, and the consultant's work product is shared with appropriate units and individuals within the University. Issues regarding the consultant's work should be reported immediately to the appropriate approving authority.

### **5.07 Reporting Potential Financial Misconduct**

- *Approved by the Board of Trustees, 06-17-2011*
  - *Revised 01-19-2012*
1. Purpose and Overview: Stetson University expects all members of the Stetson community to observe high standards of business and personal ethics in discharging their duties and responsibilities. This policy has been developed with these obligations in mind. This policy also is intended to encourage and enable individuals to raise serious concerns within Stetson University, and to define a process to address these concerns.
  2. Scope of Policy: This policy covers instances in which an individual affiliated with the University — such as faculty, staff, or students — discovers or suspects financial misconduct, including but not limited to theft, fraud, embezzlement, kickbacks, diversion of University funds for personal use, or questionable financial practices. If an individual submits a report under this policy that is more appropriately addressed under a different policy, the report may be referred to the appropriate person or office for resolution.
  3. Reporting Violations and Suspected Violations: All members of the Stetson community have a responsibility to report known or suspected financial misconduct in accordance with this policy. The University encourages individuals to share their questions, concerns, suggestions, or complaints regarding financial misconduct with someone who can address them properly. The University expects administrators such as department heads, deans, and members of the

President's Cabinet to maintain an open-door policy and to follow the processes in this policy when they receive a report concerning known or suspected financial misconduct.

- A. Initial step: In most cases, an employee should report the known or suspected misconduct to his or her supervisor or department head. Students are also encouraged to report known or suspected violations; student reports typically should be made to the head of Student Life at the student's campus.
  - B. Alternative reporting options: If the matter is not satisfactorily resolved at the initial step, or if the person to whom the initial report ordinarily would be made is involved in the known or suspected violation, concerns should be reported to the appropriate dean, director, vice president, or the President. If an employee or student is not comfortable reporting through normal University channels, he or she may convey concerns in writing to the University's attorney, Mark G. Alexander with the firm Alexander DeGance Barnett, P.A., 225 Water Street, Suite 1200, Jacksonville, Florida 32202 or at [mark.alexander@adblegal.com](mailto:mark.alexander@adblegal.com). The University's attorney represents Stetson University and does not represent any individual administrators, faculty members, employees, students, or constituency groups in matters arising under this policy. The University attorney will transmit the written report directly to the chair of the University's Trustee Audit Committee with a copy to the Chair of the Board of Trustees, and to the Vice President for Finance and/or the President as appropriate if neither is implicated in the written report. Before taking further action, the Chair of the Trustee Audit Committee will then consult with appropriate University staff to determine the proper method of investigating the report.
  - C. Report contents: Reports of known or suspected financial misconduct should contain the name and title of each employee or representative against whom any allegation is being made, and a specific description of the misconduct, including dates, times, and any other relevant information needed to substantiate the allegations. In addition, the person should describe how he or she learned this information, such as first-hand observation, a report from another person, etc.
  - D. Anonymity and requests for confidentiality: A report may be made anonymously; however, it is critical that individuals reporting anonymously provide sufficient detail to permit an adequate investigation. In addition, a person may identify himself or herself but request that his or her identity, or details that would reveal his or her identity, be kept confidential. Confidentiality will be maintained to the extent feasible, given the need to conduct an adequate investigation.
  - E. Guidance for individuals who receive a report: In all situations, an employee who receives a report alleging known or suspected financial misconduct must promptly notify the head of Human Resources for their specific campus, who in turn must notify the Executive Vice President and CFO.
4. Process for Handling Reported Violations
- A. Role of Human Resources and Executive Vice President and CFO: The Office of Human Resources for the campus where the report is made is responsible for providing



guidance to management, investigating all reported complaints and allegations concerning violations of this policy, confidential record-keeping, and advising the Executive Vice President and CFO of all reports and outcomes. Matters may be reassigned to another office or department for investigation when deemed appropriate by the Executive Vice President and CFO. The Executive Vice President and CFO will keep the President informed, and, where appropriate, the University's Trustee Audit Committee. The Executive Vice President and CFO has direct access to the Trustee Audit Committee and reports to that Committee at least annually on compliance activity.

- B. Acknowledgement and investigation: When the person reporting identifies himself or herself, the assigned investigator will promptly acknowledge receipt of the known or suspected violation and may also seek additional detail about the substance of the report. All reports will be promptly investigated, and appropriate corrective action will be taken if warranted by the investigation. If the person reporting includes his or her identity, the assigned investigator will inform that person when the investigation has been concluded. Due to the sensitive nature of such investigations, specific details might not be shared.
5. Confidentiality: All aspects of any investigation under this policy will be kept confidential to the extent possible and reasonable in light of controlling laws and policies.
6. No Retaliation: Retaliation against anyone who in good faith makes a report or complaint under this policy is strictly prohibited. Retaliation can be reported under this policy in the same manner as financial misconduct. Good faith under this policy means that the individual submitting a report under this policy must have reasonable grounds for believing the information disclosed reflects a violation or suspected violation. Any member of the Stetson community who retaliates against someone who has reported a violation in good faith is subject to discipline up to and including termination of employment, or if not an employee, other sanctions appropriate for the person's role or position.

### 5.08 Red Flag Policy

#### Data Security and Identity Theft Program

Stetson University is concerned about the serious issue of identity theft. Thus, the University developed this Program to establish a cohesive and integrated set of policies and practices to protect sensitive information and to detect, prevent, and mitigate identity theft in connection with covered accounts. The Program encompasses the Federal Trade Commission's "Red Flags" rule requirements and Florida data breach law requirements, with cross-references to other applicable policies that concern privacy and data security.

#### Definitions

1. "**Identity theft**" means fraud committed or attempted by using the identifying information of another person without authority.
2. A "**covered account**" means an account that the University offers or maintains— primarily for personal, family, or household purposes—and that involves or is designed to permit multiple

payments or transactions.

The term also encompasses any other account that the University maintains and for which there is a reasonably foreseeable risk—including financial, operational, compliance, reputation, or litigation risk—to members of the campus community or to the safety and soundness of the University regarding identity theft.

3. A "**red flag**" means a pattern, practice, or specific activity that indicates the possible existence of identity theft.
4. "**Sensitive information**" is confidential or proprietary information that, if compromised through alteration, corruption, loss, misuse, or unauthorized disclosure, could cause serious harm to the individual to whom the information belongs, or to the University.

### **Program Overview**

This Program:

1. Designates responsibility for program administration, including establishing processes for training and periodic updating to reflect changes in risks to students and others, and to the safety and soundness of the University;
2. Provides guidance in protecting sensitive information;
3. Delineates specific covered accounts subject to red flag scrutiny;
4. Delineates processes for identifying relevant red flags for covered accounts the University offers or maintains;
5. Establishes processes to prevent and mitigate identity theft by detecting and responding appropriately to red flags; and
6. Incorporates—as appropriate—existing policies and procedures that control reasonably foreseeable risks.

### **Program Adoption and Updates**

1. **Adoption:** This Program has been adopted by the University's Board of Trustees.
2. **Responsibility to implement and update:** The Vice President for Finance is responsible for updating and implementing this policy. The College of Law's Executive Director of Business and Finance will work with the Vice President for Finance and the Dean of the College of Law to ensure local conformance at the Gulfport and Tampa campuses.
3. **Program Administrators:** The Vice President of Finance and the College of Law's Executive Director of Business and Finance are designated as Program Administrators. The Program Administrators are responsible for the following:
  - a. **Staff training:** The Program Administrators are responsible for arranging for appropriate staff training. Training will encompass general data security practices, covered accounts, methods for detecting red flags, and reporting and response obligations.

Training updates will be conducted as reasonably needed and when material program changes are made. Training processes will be implemented for new hires or current

- employees who transfer into positions in which they may have red flag detection responsibilities.
- b. **Report review and response:** The Program Administrators are responsible for reviewing any staff reports regarding red flag detection and the steps for preventing and mitigating identity theft. In addition, the Program Administrators, in consultation with the Director of Internal Audit, will determine which prevention and mitigation steps should be taken in particular circumstances.
  - c. **Program updates:** The Program Administrators are responsible for recommending future Program updates and changes to the President, who has been delegated authority by the Board of Trustees to manage the Program. This Program will be periodically reviewed and updated to reflect changes in risks related to identity theft, including any instances of identity theft, changes in identity theft methods, changes in identity theft detection and prevention methods, changes in types of accounts the University maintains and changes in the University's business arrangements with other entities. After considering these factors, the Program Administrators will recommend whether changes to the Program, including changes to the listing of red flags, are warranted.
  - d. **Other general program administration:** The Program Administrators are responsible for any other aspects of Program administration, including developing reporting forms and processes, training content and delivery methods, and coordinating Program activities with other legal or policy requirements or obligations, including but not limited to University or College of Law policies on confidentiality, privacy of student and employee records, and computer and network use.
4. **Data Security for Sensitive Information:** Each employee is responsible for protecting sensitive information, including using appropriate security controls to eliminate a significant source of risk. The repercussions of data security breaches that stem from lax attention to security, carelessness with passwords, theft or loss of electronic devices, laptops, and USB flash drives are significant in both cost and reputation. In addition, unauthorized use or release of sensitive information by any member of the campus community may subject the violator to personal, civil, and criminal liability, and legal penalties in addition to corrective action up to and including termination of employment or student status.
  5. **Types of sensitive information:** Sensitive information may be stored electronically or in paper format. University students and personnel are encouraged to use common sense judgment in securing sensitive information. If a student is uncertain about the sensitivity of a particular piece of information, he or she should contact the Program Administrator for the campus. If an employee is uncertain about the sensitivity about a particular piece of information, the employee should seek guidance from his or her supervisor.
  6. **Examples of sensitive information:** Examples of sensitive information include—but are not limited to—the following:
    - a. Credit card information;
    - b. Tax information numbers, including Social Security Numbers (SSNs), Business Identification Numbers, and Employer Identification Numbers;

- c. Payroll information;
  - d. Cafeteria plan check requests and associated paperwork;
  - e. Medical information for any student or employee;
  - f. Other personal information that belongs to a student, employee, or contractor and that is either protected by law from disclosure, or if improperly disclosed could cause potential harm or compromise identity security.
7. **Relationship to FERPA:** Notwithstanding the examples above, this policy does not preclude disclosure of student "directory information" or other information the University is permitted to disclose under the Family Educational Rights and Privacy Act.
8. **Security of paper records:**
- a. **Security controls:** Departments and offices that store confidential paper records will use standard security controls to avoid inadvertent disclosure. These controls include (i) supervising file cabinets, desk drawers, overhead cabinets, and other storage spaces containing documents with sensitive information, (ii) locking these areas and spaces when not in use, when office staff are absent, and when the office is closed; and (iii) keeping desks, workstations, work areas, printers and fax machines, and common shared work areas clear of documents containing sensitive information when the documents are not in use.
  - b. **Document disposal:** To help avoid issues of identity and data theft, and to meet confidentiality requirements, the University follows uniform and appropriate disposal processes for all sensitive information records. On a routine basis, using local shredders within an office or department will meet this requirement. In addition, the University has placed secure bins in various offices across campus to facilitate the centralized on-site records destruction process. In accordance with the requirements of the Fair and Accurate Credit Transaction Act of 2003, the University also requires that a "due diligence" review be conducted for all vendors to whom the University outsources the disposal of sensitive material.
9. **Security of Electronic Data:**
- a. **Computers:** Offices and departments that use computers will implement standard security controls, such as ensuring that employees use passwords for logging into the network and screen locks when an employee is away from his or her desk. In addition, offices and departments will stress that employees must keep passwords confidential to avoid improper access. Sensitive data that is transmitted externally should be sent only to qualified recipients and should be password-protected.
  - b. **Laptop computers and small electronic devices:**
    - i. Laptops and personal digital assistants (PDA) like BlackBerry devices and iPhones warrant special attention. In general, sensitive data should not be maintained on laptops or PDAs, which can be lost or stolen. For electronic devices that can and are frequently taken off campus, users should consider using password protection and other similar steps to avoid improper access if the device is lost or stolen.
    - ii. The loss or theft of a device linked to the network should be reported immediately to the Office of Information Technology so the access connection can be terminated.

- iii. Information stored electronically on items such as old computers, computer discs, flash drives, or hard drives, must be overwritten or wiped clean using tools provided by the Office of Information Technology before these items are disposed of.
  - c. **USB flash drives:** A USB flash drive (also known as a thumb drive, jump drive, or key drive) is a small device that can store vast amounts of data. Although highly beneficial, these devices pose high security risks if proper controls are not followed. The following are some key points to remember about USB flash drives:
    - i. USB flash drives are susceptible to viruses and malware. If an employee uses a USB flash drive in a public or foreign computer system, the flash drive can become infected.
    - ii. USB flash drives can be configured to be bootable and run programs. If you plug a USB flash drive configured by someone seeking improper access into a PC running Windows, the device can take over the machine, search for confidential documents, copy them back to the USB's internal storage, and hide them as "deleted" files.
    - iii. USB flash drives can become corrupted.
    - iv. USB flash drives can be used by employees to remove sensitive data from the workplace.
    - v. USB flash drives can be easily lost or stolen.
  - d. To avoid the most pronounced of these risks, the following protocols have been established:
    - i. Store sensitive information on the University server.  
Unless absolutely necessary, do not copy sensitive data to a USB flash drive. If you must download sensitive information, use only USB flash drives that include built-in security features such as encryption and password protection, and be sure to use these functions. Contact the Office of Information Technology for assistance.
    - ii. Have USB devices configured by the Office of Information Technology with anti-virus applications that can be run directly from the flash drive to ensure that it will not become infected by a public or foreign computer system that may have a virus.
    - iii. Always keep any USB flash drive or other removable media (such as CD-ROM discs) physically secure.
    - iv. If you find a USB flash drive that someone lost, do not plug it into your computer, as it could be infected or contain malicious software.
    - v. Because flash drives and other removable media can become corrupted, always backup your data to the network server. No flash drive or other removable media should be the sole location for important data. If you lose or destroy your flash drive, the data should exist in another location, such as the network server.
10. **Banner Access:** Banner—the University's database system—is managed through a series of controls. New hires can be given system access only by the Office of Information Technology after official notification of hire by the Office of Human Resources. Only employees who need access to perform their jobs are granted access to specific areas of information. Under the Banner standards, the University has assigned various offices with specific module responsibility (i.e., the Finance Department is the module owner of the Finance component in Banner). Within a given department, the department head determines the proper level of access for its

employees. An employee seeking access to a Banner module outside his or her department's control must obtain the module owner's approval. All new employees to be granted Banner access must attend a training session with Office of Information Technology to learn the proper Banner security measures.

11. **Data Breaches:** Florida law provides steps to be followed if certain data breaches occur. In general, because the University maintains computerized data in a system that includes personal information, a Program Administrator or his or her designee must notify individuals whose personal information may be at risk as a result of an information system breach.
  - a. Electronically maintained personal information for purposes of a Florida law data breach is the combination of (1) an individual's name (first name or initial and last name, or middle name and last name) and (2) one of several data elements that are not encrypted, such as SSN, driver's license or state identification card number or account, credit or debit card number, along with the password or other information allowing access to an individual's financial account.
  - b. Under this provision, the University must notify Florida residents if there is a "breach of the security of the system," which is the "unlawful and unauthorized acquisition of computerized data that materially compromises the security, confidentiality, or integrity of personal information." Depending on the scope of the breach and who is affected, other notification requirements may also apply.
  - c. If any member of the campus community becomes aware of a potential or active breach of any University computer or electronic system (regardless of whether data has been compromised), he or she immediately must report the potential or actual breach to the Office of Information Technology, which in turn is responsible for immediately notifying the Program Administrator for initiation of applicable breach notification requirements.
  - d. Depending on the nature and scope of the breach, the Program Administrator will also coordinate compliance with other state and federal requirements as applicable. If a breach requires outside assistance to effectuate compliance with all applicable breach laws, the Program Administrator may retain vendors to assist.

### **Covered Accounts for Red Flag Purposes**

The University offers or maintains the following covered accounts:

1. Accounts related to the Federal Perkins Loan Program, which provides low-interest loans to help needy students finance the costs of postsecondary education;
2. Refund of credit balances from Parent Plus loans;
3. Refund of other credit balances from student accounts;
4. Deferment of tuition or housing payments; and
5. Cash advances or emergency loans.
6. Red flags may also arise in the context of employment and applicant screening processes.

### **Identifying Relevant Red Flags**

To establish a framework for identifying relevant red flags, this section first identifies the methods by

which covered accounts are opened and then accessed, which allows the University to understand the information that may be on file and the potential vulnerabilities that may exist. This section is followed by a general description of the categories of red flags that have been considered by the University in conjunction with each covered account.

1. **Methods of Opening Covered Accounts:** University admission, acceptance and enrollment—which is a prerequisite to open a covered account—requires some or all of the following information, depending on the academic program:
  - a. Application with personally identifying information;
  - b. High school transcript, undergraduate, or graduate transcripts, as applicable;
  - c. Official test scores (e.g., ACT, SAT, GRE, LSAT, MCAT, GMAT);
  - d. Letters of recommendation, as applicable;
  - e. Entrance Medical Record, for undergraduates;
  - f. Medical history, for undergraduates;
  - g. Immunization history, for undergraduates;
  - h. Insurance card, for undergraduates;
  - i. TOEFL scores, as applicable; and
  - j. Immigration information and visa application, as applicable.
2. **Methods Provided to Access Covered Accounts:**
  - a. Online view access and the capacity for online payments;
  - b. Disbursements obtained in person requires picture identification; and
  - c. Disbursements obtained by mail can only be mailed to an address on file.
  - d. In assessing vulnerabilities, the University will also consider any previous history of identity theft.
3. **Types of Red Flags:** In general, red flags typically fall into one of the following five categories, the first four of which relate to covered accounts; the last category relates to employment and applicant screening:
  - a. **Suspicious Documents:** This category encompasses documents available for physical review. Examples of items to watch for include:
    - i. Documents provided for identification that appear to have been altered or forged;
    - ii. The photograph or physical description on the identification is not consistent with the appearance of the applicant presenting the identification;
    - iii. Other information on the identification is not consistent with information provided by the person presenting the identification, like a signature card or a recent check; or
    - iv. An application appears to have been altered or forged, or torn up and reassembled.
  - b. **Suspicious Personal Identifying Information:** On occasion, identity thieves may use personally identifying information that is suspicious. Examples of items to watch for include:
    - i. Personal identifying information provided is inconsistent when compared with external information sources (Examples include where the address does not match any address



- in the credit report; the SSN has not been issued<sup>1</sup> or is listed on the Social Security Administration's Death Master File; or personal identifying information provided by the person is not consistent with other personal identifying information provided by the person with whom the University is dealing);
- ii. A lack of correlation between the SSN range with the Social Security Administration's issuance tables and date of birth;
  - iii. Personal identifying information provided is associated with known fraudulent activity as indicated by internal or third-party sources;
  - iv. Personal identifying information provided is a type commonly associated with fraudulent activity as indicated by internal or third-party sources (Examples include when the address on an application is fictitious, a mail drop, or to an address appearing to be a prison; the phone number is invalid or is associated with a pager or answering service; the SSN provided is the same as that submitted by other persons; or the address or telephone number provided is the same as or similar to the address or telephone number submitted by an unusually large number of other persons.);
  - v. The person opening the covered account fails to provide all required personal identifying information on an application or in response to notification that the application is incomplete; or
  - vi. The person cannot supply any information beyond what would typically be available in a wallet or credit report.
- c. **Suspicious Account Activity:** A red flag may arise in the context of how an account is used rather than through the actions or inactions of the specific individual with whom the University is dealing. The following are examples of account activity that may be significant:
- i. Shortly following the notice of change of address for a covered account, the University receives a request for new, additional, or replacement goods or services;
  - ii. A new account is used in ways associated with fraud (for example, purchased goods are converted to cash, refund on pre-paid rent or meal plan, etc.);
  - iii. Mail sent to the person is returned repeatedly as undeliverable, although transactions continue to be conducted in connection with the person's covered account;
  - iv. The University is notified that the person is not receiving paper account statements; and
  - v. The University is notified of unauthorized charges against an account.
- d. **Notices from Other Sources:** In this category, the University receives notice from members of the campus community, victims of identity theft, law enforcement authorities, or other persons regarding possible identity theft in connection with a covered account.
- e. **Alerts, Notifications, and Warnings from a Credit Reporting Company:** In the context of a University setting, this category does not involve a covered account. Rather, this category of red flag encompasses screening processes used for employment where a consumer or credit report has been obtained. To the extent screening is performed for student applicants using a third party, this issue may also arise. Examples of activity that may signal

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<sup>1</sup> To determine if a Social Security number has been issued, see <http://www.ssa.gov/employer/ssnvhighgroup.htm>.



identity theft include:

- i. A fraud or active duty alert included with a credit report;
- ii. A notice of credit freeze from a credit or consumer reporting agency in response to a request for a consumer report;
- iii. A notice of address discrepancy from a credit or consumer reporting agency; or
- iv. A credit or consumer reports that indicate a pattern of activity inconsistent with the history and usual pattern of activity of an applicant—such as a recent and significant increase in the volume of inquirers, an unusual number of recently established credit relationships, or a material change in the use of credit— especially with respect to recently established credit relationships.

### **Detecting Red Flags**

Using the types of red flags listed above, each covered account has been assessed and this Program established to identify and detect red flags relevant to each type of covered account. Detecting red flags in the screening process is also addressed.

1. **Participation in the Federal Perkins Loan Program:** All institutions offering Perkins loans are subject to the red flag rule. Possible red flags relevant to Perkins loan activity are:
  - a. Picture ID not appearing to be authentic or not matching the appearance of the student presenting it;
  - b. Requests in connection with account originating from other than a University-issued e-mail account; or
2. **Refund of credit balances from Parent Plus Loans:** Under applicable federal regulations, these balances are required to be refunded in the parent's name and mailed to the parent's address on file within the time period specified. No request is required. Parents may elect in writing that the University refund the balance to the student. Possible red flags relevant to Parent Plus refund activity are:
  - a. An address change submitted before refund disbursement is fictitious, a mail drop, or to an address appearing to be a prison, or is the same as or similar to the address or telephone number submitted by an unusually large number of other persons;
  - b. Shortly following the notice of change of parental address for a covered account, the University receives a request for new, additional, or replacement refund check;
  - c. Mail sent to the parent is returned repeatedly as undeliverable, although transactions continue to be conducted in connection with the student's covered account;
  - d. The University is notified that the parent is not receiving paper correspondence or loan information;
  - e. A student requests a refund check when no parental election form is on file;
  - f. An election form authorizing the student to be refunded the balance appears suspicious;
  - g. Where a refund check is picked up in person, a picture ID is offered that does not appear to be authentic or does not match the appearance of the person presenting it; or
  - h. The University receives a fraud alert from an external source.
3. **Refund of other credit balances from student accounts:** In general, refund check requests from

current students must be made in person by presenting a picture ID or in writing from the student's University issued e-mail account. The refund check typically can be mailed only to an address on file or picked up in person by showing picture ID. Requests from students not currently enrolled or graduated from the University must be made in writing. Possible red flags relevant to other refund activity are:

- a. An address change submitted before refund disbursement is fictitious, a mail drop, or to an address appearing to be a prison, or is the same as or similar to the address or telephone number submitted by an unusually large number of other persons;
  - b. Shortly following the notice of change of address for a covered account, the University receives a request for new, additional, or replacement refund check;
  - c. Mail sent to the student is returned repeatedly as undeliverable, although transactions continue to be conducted in connection with the student's covered account;
  - d. The University is notified that the student is not receiving paper correspondence or loan information;
  - e. A student requests a refund check after creating a balance through a credit card payment;
  - f. A student requests a refund check from an email address other than the one issued by the University;
  - g. An election form authorizing someone other than the student to pick up the refund check appears suspicious;
  - h. Where a refund check is picked up in person, a picture ID is offered that does not appear to be authentic or does not match the appearance of the student presenting it; or
  - i. The University receives a fraud alert from an external source.
4. **Deferment of tuition or housing payments:** Requests are typically made in person only and require the student's signature. No red flags relevant to tuition deferment have been identified. For housing payments, possible red flags are likely to arise only in the context of a requested refund of a portion of pre-paid housing fees as a deduction from financial aid. When this occurs, possible relevant red flags are:
- a. An address change submitted before refund disbursement is fictitious, a mail drop, or to an address appearing to be a prison, or is the same as or similar to the address or telephone number submitted by an unusually large number of other persons;
  - b. Shortly following the notice of change of address for a covered account, the University receives a request for new, additional, or replacement refund check;
  - c. Mail sent to the student is returned repeatedly as undeliverable, although transactions continue to be conducted in connection with the student's covered account;
  - d. The University is notified that the student is not receiving paper correspondence or loan information;
  - e. A student requests a refund check from an email address other than the one issued by the University;
  - f. An election form authorizing someone other than the student to pick up the refund check appears suspicious;
  - g. Where a refund check is picked up in person, a picture ID is offered that does not appear to

- be authentic or does not match the appearance of the student presenting it; or
- h. The University receives a fraud alert from an external source.
5. **Cash advances or emergency loans:** Requests are typically made in person only and require the student's signature. In hardship cases, requests may be processed electronically. Possible red flags relevant to cash advances or emergency loans are:
- An address change submitted before the advance or loan request is fictitious, a mail drop, or to an address appearing to be a prison, or is the same as or similar to the address or telephone number submitted by an unusually large number of other persons;
  - Shortly following the notice of change of address for a covered account, the University receives a request for a cash advance or emergency loan;
  - A student requests a cash advance or emergency loan from an email address other than the one issued by the University;
  - An election form authorizing someone other than the student to pick up the cash advance or emergency loan appears suspicious;
  - Where a cash advance or emergency loan is picked up in person, a picture ID is offered that does not appear to be authentic or does not match the appearance of the student presenting it; or
  - The University receives a fraud alert from an external source.
6. **Red flags in employment screening processes:** Red flags in the employment screening process can arise during the background check process when consumer reports indicate a fraud alert, address discrepancy, or other indicia of possible fraudulent activity in connection with the applicant's identity.

### Red Flag Responses to Possible Fraud

- When potential fraud affecting a covered account is detected:** This Program provides for appropriate responses to detect red flags to prevent and mitigate identity theft. Once potentially fraudulent activity is detected, the employee detecting the activity must act promptly. A rapid and appropriate response is the key to protecting the campus community and the University from damages and loss. The employee who detects the potential fraud should take the following steps:
  - Gather all related documentation and write a description of the situation. Present the information through the chain to the Program Administrator for determination.
  - The Program Administrator will complete any additional authentication reasonably needed to determine whether the attempted transaction was fraudulent or authentic.
  - The Program Administrator will also contact the University's Director of Internal Audit to assist in the investigation process.
  - Interim measures such as changing passwords or security codes that permit account access may be suspended pending investigation to reduce possible risk.
- When a transaction related to a covered account is determined to be fraudulent:** If a transaction is determined to be fraudulent, the Program Administrator or designee will take appropriate actions immediately. Actions may include, but are not limited to:

- a. Denying access to the covered account;
  - b. Canceling or reversing the transaction;
  - c. Notifying the affected person that fraud has been attempted or has occurred;
  - d. Notifying and cooperating with appropriate law enforcement;
  - e. Assessing possible liability for the University;
  - f. Taking additional mitigation actions where required based on the circumstances, such as state law data breach notification requirements;
  - g. Determining no further response is warranted under the particular circumstances.
3. **Identity theft issues in employment screening processes:** Red flags associated with consumer reports will be managed by Human Resources. Responsive steps may include contacting the applicant to inquire further, determining the underlying basis for a substantial discrepancy between an applicant's reported address and the third-party credit reporting agency address notification, and conducting such further screening as is reasonably necessary to resolve any concerns. Upon hire, identity verification is also required in accordance with Form I-9 requirements. Withdrawal of job offers based on a consumer report will be done in accordance with Fair Credit Reporting Act requirements.

### **Oversight of Service Provider Arrangements**

1. **Outside service providers:** If the University engages a service provider to perform an activity in connection with one or more covered accounts, the University will take the following steps to ensure the service provider performs its activity in accordance with reasonable policies and procedures designed to detect, prevent and mitigate the risk of identity theft:
  - a. Require, by contract, that the service provider has such policies and procedures in place; and
  - b. Require, by contract, that the service provider review this Program and report any red flags to the responsible Program Administrator or the employee with primary oversight of the service provider relationship.
2. **Contract review:** To comply with these requirements, it is expected that all current contracts will be reviewed to determine if they concern covered accounts and, if appropriate, to propose an amendment to the appropriate vendor acknowledging the vendor's responsibilities to (a) comply with the Federal Trade Commission's Red Flag Rules, implementing Section 114 of the Fair and Accurate Credit Transactions Act of 2003, (b) maintain policies and procedures to detect relevant red flags that may arise in the performance of any agreements, and (c) take appropriate steps to prevent or mitigate identity theft relating to this agreement. The vendor will also be required to provide a copy of its written program to the University, and if requested by the University will report any red flags concerning the University's covered accounts and the applicable contract to the University's Program Administrator. This obligation is in addition to the existing requirements for outside consultants and contractors handling records and data falling within the definition of "educational records" covered under the Family Educational Rights and Privacy Act.

*Adopted and approved by the Stetson University Board of Trustees on Friday, October 23, 2009.*

## 5.09 Tax Exempt Bond Policies

### **Purpose**

Stetson University finances certain capital projects through the issuance of qualified 501(c)(3) tax-exempt bonds. The University is required to comply with federal tax rules that govern the expenditure of proceeds of bond--- financed property, investment of proceeds in compliance with arbitrage rules, and retention of records. Failure to comply with these rules may result in the loss of the tax-exempt status of the bonds, significant penalties and other consequences. This document identifies the compliance areas of tax-exempt bond financing and the University's policies of fulfilling all requirements in these areas.

### **Applicability**

These policies are applicable to all Stetson University staff involved in any stage or aspect of any tax-exempt bond issue, including but not limited to those who manage, direct or influence:

- Pre-issuance processes and decision---making including identification of eligible projects and due diligence on environmental and tax aspects of projects
- The use of bond proceeds and timing of use
- Investing of bond funds and arbitrage processes
- Private business use ("PBU") of property financed by tax-exempt bonds, including leases, and management and services agreements
- The creation and retention of documentation relating to use of proceeds, arbitrage, return filings, and private usage
- Recording and reporting of financial transactions related to tax-exempt bonds
- Compliance with continuing disclosure requirements

### **I. Policy to Track Private Business Use of Tax-Exempt Financed Space**

#### ***Purpose***

The Internal Revenue Service ("IRS") requires organizations to monitor private business use (or "PBU") of tax-exempt financed facilities and equipment financed with tax-exempt bonds. Excessive private use may jeopardize the tax-exempt status of the bonds. This policy outlines tracking procedures to monitor private use so that limitations for tax-exempt facilities are not exceeded.

#### ***Policy***

It is the University's policy to comply with all applicable laws and regulations associated with its tax-exempt bonds. In accordance with IRS requirements, the University will monitor and track all private business use of tax-exempt financed facilities and equipment. It shall be the responsibility of University Finance to identify activities that might result in private use of tax-exempt facilities and equipment (such as through lease arrangements, management contracts and/or research agreements). Additionally, University Finance shall monitor and measure the private use of tax-exempt financed facilities on a regular basis. Annually, all private business use activities must be summarized to be considered in the preparation of the IRS Form 990.

Potential sources of PBU of tax-exempt financed space may include the following:

- Unrelated business income activities (refer to section III, below)
- Management and other service agreements
- Sponsored research contracts
- Naming rights contracts
- Leases and subleases of facilities
- Joint venture/limited liability corporations/partnership arrangements

### ***Procedures***

#### **Initial Issuance Procedures**

Prior to the issuance of a new series of tax exempt bonds, the University will be asked to answer a detailed Tax Questionnaire furnished by the bond counsel and possibly a due diligence request from underwriters' counsel. This involves a comprehensive assessment of private business use of existing bond-financed University facilities and projects that the University plans to finance with the proceeds of the new issue or refinanced with proceeds of a refunding bond issue.

#### **Continued Tracking Procedures**

University Finance must identify, record and track all private business uses of the tax-exempt bond financed facilities throughout the life of the bond.

Private Business Use will exist and must be approved by the Executive Vice President and CFO under the following conditions:

1. Use of the tax-exempt bond financed facility by employees to operate an unrelated trade or business;
2. Use of a tax-exempt bond financed facility by individuals not employed by Stetson University or a private party;
3. Use of tax-exempt bond financed facility in a joint venture/limited liability corporation/partnership agreement between Stetson University and another entity;
4. Use of the tax-exempt bond financed facility for research sponsored by private non---government parties where the sponsor obtains rights to resulting technology or intellectual property. The Executive Vice President and CFO should review these contracts prior to acceptance to determine whether they meet the safe harbor for research agreements (Rev. Rul. 97---14).

University Finance will hold discussions with departments to determine whether there has been any private business use of the tax-exempt financed facilities.

#### **Calculation Procedures**

University Finance will calculate the private business use of each tax-exempt bond issue to be reported in the annual IRS Form 990. University Finance also will use this information to ensure that total private business use remains within IRS guidelines. Currently, five percent or less of bond issue proceeds may

be used for private business purposes, and such use may only occur if in accordance with tax certificate provisions and in compliance with applicable federal law. Costs of issuance are counted against the 5% limit.

### Corrective Actions

Through on-going tracking and monitoring, the University will ensure that all tax-exempt bonds remain qualified and are held in compliance with regulatory standards. Such monitoring also will ensure that any actual or potential violations of federal tax requirements can be timely identified and corrected via self-remediation or through the IRS voluntary closing agreement program, if self-remediation is not available under applicable IRS regulations.

### Central Recordkeeping Requirement

The University must retain tracking records for the life of the financing plus 3 years in order to meet the recordkeeping requirements of the IRS. University Finance will retain supporting calculations and schedules required for the IRS Form 990. See the Policy on Retention of University Records for additional recordkeeping information.

## **II. Tracking of Assets and Proceeds Associated With Tax-Exempt Bond Issues**

### ***Purpose***

Organizations are required to track the use of tax-exempt bond proceeds and to identify what assets are tax-exempt bond financed. This policy outlines procedures associated with the expenditures of tax-exempt bond proceeds and the tracking of the purchase/sale of tax-exempt bond-financed assets.

### ***Policy***

In the Official Statement and supporting documentation for all bond offerings, Stetson University will identify how it expects to spend the bond proceeds. University Finance will monitor the actual expenditure of bond proceeds to ensure they agree with these projected expenditures. University Finance will track the assets purchased with bond proceeds so they can be identified for purposes of calculating private use and for tracking any dispositions.

### ***Procedures***

#### Initial Expenditures

Divisions/departments should send any invoices for bond-financed projects to University Facilities, who, upon review and approval, should forward the invoices to Accounts Payable for processing. University Finance also should review the invoices for appropriateness of reimbursement by bond proceeds. Expenditures as reviewed and approved should then be sent to the applicable bond trustee for reimbursement. In general, Stetson University should request reimbursement from the applicable bond trustee within an allowable time frame from the completion of the work and original date of payment of the invoice.

#### Identification and Tracking of Assets

University Finance will ensure that bond-financed assets are identified and tracked in the University



Fixed Assets Module within Banner through the routine fixed asset process.

### Central Recordkeeping Requirement

University Finance will maintain all fixed asset-tracking records. See the Policy on Retention of University Records for additional recordkeeping information.

## **III. Unrelated Business Income**

### ***Purpose***

The University is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code ("IRC") on income from activities that are substantially related to its tax-exempt purpose, which serves as the basis for its tax exemption.

However, the University is subject to tax on the net income of any unrelated business activities conducted, even though such activities may bring in funds to support the organization's exempt operations. This policy outlines procedures to identify and track unrelated business income ("UBI") activities for purposes of determining private business use and meeting the IRS Form 990 and 990-T reporting requirements.

### ***Policy***

Unrelated Business Income ("UBI") is the income from a trade or business activity that is regularly carried on by the University that is not substantially related to the University's tax-exempt purpose. Thus, for UBI to occur, three requirements must be met: (1) there must be an activity, (2) which is regularly carried on, and (3) is not substantially related to the University's tax-exempt purposes of education, research and health care. Any unrelated business activity is deemed to be private business use and is subject to the requirements noted in Section I, above.

In accordance with IRS requirements, the University will monitor and track all unrelated business income activities. It shall be the responsibility of University Finance to identify activities that might result in unrelated business income (such as through lease arrangements, management contracts and/or research agreements). Additionally, University Finance shall monitor the unrelated business income activities on a regular basis. Annually, all unrelated business income activities must be considered in the preparation of the IRS Form 990 and Form 990-T.

### ***Procedures***

#### Identification of Activities (Revenue and Expense)

University Finance will hold discussions with departments to determine whether there has been any new unrelated business use.

#### Reporting of Activities

University Finance will be responsible for completing Form 990-T (Federal) and any applicable state/local filings to report unrelated business income. University Finance should evaluate on a yearly basis the consolidated income and expense for all unrelated business activities within the University.



### Central Recordkeeping Requirement

The University must retain tracking records for the life of the financing plus 3 years in order to meet the record-keeping requirements of the IRS. University Finance will retain supporting calculations and schedules required for the IRS Form 990 and Form 990-T. See the Policy on Retention of University Records for additional recordkeeping information.

## **IV. Arbitrage Rebate Calculation Policy**

### ***Purpose***

The IRC has strict rules regarding the investment of tax-exempt bond proceeds. Failure to comply with these requirements can result in the loss of the tax-exempt status of the bonds. This policy outlines procedures associated with completing arbitrage rebate requirements.

### ***Policy***

IRC Section 148(f) requires payment to the Internal Revenue Service of the excess of the amount earned on the investment of bond proceeds over the bond yield investment rate. All of the funds and accounts established under a bond issue are subject to this rebate requirement. There are special rules associated with construction and refunding issues. The procedures outlined below are intended to assist in assuring that the rebate requirement is met. These procedures outline general requirements under the IRC and regulations. A review of the bond tax certificate should be performed to determine the specific requirements for any one particular issue.

### ***Procedures***

Upon issuance of the bonds, University Finance should review the tax certificate to determine if there are any specific arbitrage rebate requirements for the bond issue in addition to the statutory requirements. At a minimum, unless certain exceptions apply, a rebate calculation is required at the end of the fifth bond year, at the end of every fifth bond year thereafter, and upon retirement of the bonds. University Finance shall be responsible for ensuring that arbitrage requirements are fulfilled by contracting with a third party to fulfill such requirements.

### ***Special Circumstances***

Special circumstances with regards to a bond issue may require more detailed monitoring of arbitrage rebate requirements. These circumstances include:

- Monitoring expenditures prior to semi-annual target dates for six-month, 18-month and 24-month spending exceptions.
- For advance refunding escrows, confirming that any scheduled purchases of State and Local Government series obligations (SLGs) are made on scheduled dates.
- More frequent computations based on an agreement with bond trustee may be required.

### ***Central Recordkeeping Requirement***

Arbitrage rebate records must be filed in University Finance to meet the recordkeeping requirements. See the Policy on Retention of University Records for additional recordkeeping information.

## V. Continuing Disclosure

In order to monitor compliance by the University with its Continuing Disclosure Agreements, University Finance will, if and as required by such Continuing Disclosure Agreements:

- a. Prepare annual reports (“Annual Reports”), to be reviewed and authorized by the Executive Vice President and CFO, in the form required by the related Continuing Disclosure Agreements.
- b. Maintain a calendar, with appropriate reminder notifications, listing the filing due dates relating to dissemination of Annual Reports, which annual due date is generally expressed as 180 days following the end of the University’s fiscal year (December 27 based on a June 30 fiscal year end) (the “Annual Report Due Date”), as provided in the related Continuing Disclosure Agreements. If the independent auditor’s report is not available by that date, then the audited financial statements should be provided in a timely manner when available.
- c. Ensure timely dissemination of the Annual Report by the Annual Report Due Date, in the format and manner provided in the related Continuing Disclosure Agreements, which may include transmitting such filing to the MSRB through the EMMA System in the format prescribed by the MSRB. The University may use a dissemination agent as provided by the Continuing Disclosure Agreement.
- d. Monitor the occurrence of any “Notice Event” (as defined in the Continuing Disclosure Agreements) and timely file notice of the occurrence of any such Notice Event in the manner provided under the Continuing Disclosure Agreements. To be timely filed, such notice must be transmitted within 10 business days (or such other time period as set forth in the Continuing Disclosure Agreements) of the occurrence of such Notice Event.
- e. Ensure timely dissemination of notice of any failure to perform under a Continuing Disclosure Agreement, if and as required by the Continuing Disclosure Agreement.
- f. Respond to requests, or ensure that another representative of the University responds to requests, for information under the Rule.
- g. Monitor the performance of any dissemination agent(s) engaged by the Issuer to assist in the performance of any obligation under the Continuing Disclosure Agreements, including checking the MSRB EMMA site on or before December 15 of each year to confirm the posting of the Annual Report and immediately after the filing of a Notice Event filing under the appropriate Bond issues.

## VI. Record Retention Policy

Records should be retained for as long as the bonds are outstanding plus 3 years after the final redemption of the bonds. If upon redemption the bonds are being refunded (another bond is being used to pay back to bonds) then documentation associated with the original bond (the refunded bonds) should be maintained until 3 years after the final redemption date of both bond issues.

Refer to the Policy on Retention of University Records for specific record keeping requirements.

## **5.10 Time and Effort Reporting Policy**

### **I. Statement of Policy**

As a recipient of federal and state funding, Stetson University is required to document and certify effort expended on sponsored awards. Stetson University requires all individuals who receive externally sponsored funding to comply with Uniform Guidance Subpart E §200.430 which outlines the federal regulatory requirements for internal controls over certifying time expended on sponsored awards. The University's practice is to utilize an after-the-fact effort reporting system to certify that salaries charged, or cost-shared to sponsored awards, are reasonable, allowable and consistent with the work performed.

Failure to comply with the OMB Uniform Guidance effort reporting requirements can result in serious penalties for the individual certifying to effort and/or the University. This can include financial audit disallowances and in some cases criminal charges against an individual certifying to a falsified effort report. It is therefore incumbent on the University and individual certifiers to maintain and document how individuals spend their time on all sponsored awards.

Time & Effort reports will be submitted annually and will cover the period August 15<sup>th</sup>-August 14<sup>th</sup> for the preceding year. Time & Effort forms are due to the Grants & Sponsored Programs Administration Office no later than September 30<sup>th</sup>. Uniform Guidance standards for reporting effort:

- Effort reports will reflect the distribution of activity expended by employees.
- The effort reports will reflect an after-the-fact reporting of the percentage distribution of activity of employees.
- An individual's workload will reflect categories of activities expressed as a percentage distribution that must add up to 100% total effort.
- Effort reports will be based on employees' academic base salary and will also include any additional compensation received during the academic year or summer for effort on any sponsored awards. Additional compensation for administration, teaching or service will not be included.

### **II. Applicability of Policy**

The Principal Investigator (PI) is responsible and accountable for compliance with all sponsoring agency regulations associated with the sponsored projects awarded under his or her supervision. Effort certification is a compliance requirement of accepting federal and state awards and is the responsibility of the PI.

### III. Policy Details

#### Time and Effort Reporting Form

- 1) For each externally funded project, a Time and Effort Reporting Form will be completed by the Sponsored Programs Administration (SPA) Office in the Grants Office and submitted to each faculty member, staff, and student member working on the project, provided that the approved project agreement commits Stetson University personnel time to the project, regardless of whether such time is paid by external funds or is an unpaid contribution, i.e., an “in-kind” match included in the required cost sharing commitments.
- 2) The Time and Effort Reporting Form will be signed by the employee and certified by a person having firsthand knowledge of the employee’s activities. Certification is indicated by a confirming signature from the PI/PD, at the bottom of the Time and Effort Reporting Form. A PI/PD may not certify their own form; a Department Chair or Dean must confirm in their place.
- 3) Time and Effort Reporting Forms must be returned to the Grants and Sponsored Programs Administration Office for filing and if salary adjustments are required SPA will process adjustments to payroll once confirmed by the PI.

### IV. Definitions

**Effort:** The proportion of time spent by an academic appointee on any University activity expressed as a number of person months, (calculated as: number of months expended/(number of months of academic appointment + summer months of external grant delivery, if applicable)). The total effort reported will always equal 100%, regardless of the academic appointment period and amount of summer sponsored award effort.

**Institutional Base Salary:** Institutional Base Salary (IBS) is defined as the annual base compensation paid by an Institute of Higher Education for an individual’s appointment, whether that individual’s time is spent on research, instruction, administration or other activities. The IBS is the basis for calculating compensation costs and to facilitate compliance with the requirements of OMB Uniform Guidance 200.430 (h) (2). Institutional Base Salary may not be increased as a result of replacing University salary funds with sponsored programs funds. Please refer to the table below for a summary of the types of pay that are included or excluded from the IBS:

Included	Excluded
Regular (annual base) salary	Temporary & Administrative Supplements Summer Salary  Overload Pay Bonuses and Awards Salary paid from other organizations Outside consulting

The initial IBS is derived from the appointment letter signed by the employee at the time of employment. Changes to IBS due to changes in appointment or workload are maintained in the Provost’s Office.

**Annual Base Salary:** Fixed compensation given in exchange for performing determined job responsibilities. Base salary is the rate of pay approved for an employee in his/her primary assigned or appointed position.

**Bonuses and Awards:** Payments made on a one-time basis and not guaranteed as part of an individuals’ annual compensation.

**Outside Consulting:** Payments for consulting services external to Stetson University. Outside consulting is not considered to be included in IBS or summer salary.

**Overload Pay:** Compensation for teaching responsibilities that significantly surpasses the normal workload during a semester.

**Summer Salary:** Summer salary includes charges for work performed by faculty members with nine-month appointments during the summer session (defined as May 15<sup>th</sup> through August 15<sup>th</sup>). Summer salary includes pay for teaching summer courses and /or performing research or other types of extra duties, called Summer Pay. Per 200.430 of the Uniform Guidance, charges for teaching activities performed by faculty members on Federal awards during periods not included in the IBS period will be based on the normal written policy of the IHE governing compensation to faculty members for teaching assignments during such periods.

**Temporary and Administrative Supplements:** Additional compensation and/or administrative compensation paid to an individual for duties above and beyond the individual’s primary job requirements. Temporary and administrative supplements are typically non-recurring.

**Principal Investigator (PI) or Program Director (PD):** The individual designated by the grantee who will be responsible for the scientific or technical direction of the project. The PI or PD is a member of the grantee team responsible for ensuring compliance with the financial and administrative aspects of the award. This individual works closely with designated officials within the grantee organization to create and maintain necessary documentation, including both technical and administrative reports; prepares

justifications; appropriately acknowledges Federal support of research findings in publications, announcements, news programs, and other media; and ensures compliance with other Federal and organizational requirements.

### **V. Responsible Office(s)**

The Office of Grants and Sponsored Programs Administration is responsible for this policy.

### **VI. Related Policies**

To be added.

## **5.11 Restricted Gift and Stewardship Policy**

1. Restricted gifts must be spent for the purpose specified in any gift agreement, written correspondence, or documented conversations with a donor.
2. Stewardship requires the acknowledgement of the receipt of the gift, the expenditure of the gift, and the report back to the donor of how their gift has helped. Communications should all occur in a timely manner. Gifts are only to be solicited for approved University interests and with the knowledge and consent of the University's Development Office.
3. Budgeting of restricted expenditures is required and shall occur prior to the start of the fiscal year whenever possible. Budget revision is allowed during the fiscal year when plans change or unbudgeted restricted gifts are received.
4. Expenditures from restricted gift accounts should be made directly to the appropriate restricted account and not be handled as a transfer to another account.

*The policy herein supersedes all previous versions of the Restricted Gift and Stewardship Policy*

*Approved June 9, 2016.*

### **Procedures for Academic Departmental Restricted Funds**

- Restricted funds should supplement unrestricted budgets and be used to support strategic objectives of the Academic Department/Unit not accommodated by unrestricted funds alone.
- Status of funds will be provided to Department Heads or Program Directors at start of the budget process. This should include transactions for the prior year and current year to date.
- Accessible notes shall be provided regarding restrictions in Banner for Departments and Program Directors.
- Development shall notify Academic Department Chairs, Program Directors and Deans of all gifts received restricted to individual departments.
- The Provost will notify Development Operations Office each Spring of the list of the Department Chairs. Gifts of \$100 or less without a specific use identified will be acknowledged and stewarded by Development. Gifts over \$100 or received for a specific use in the Department will be

acknowledged and stewarded by the Department Head and Dean. Academic Department Heads/Directors/Deans shall notify Development of any gifts received directly from donors.

- Academic Department Heads/Directors/Deans will prioritize strategic initiatives annually, to be reviewed with the Provost and submitted to the University’s Development Office. This will normally occur when budgeting to help support items not resourced by the unrestricted operating budget.
- Academic Department Heads in concert with the respective Deans and the Provost shall agree on the use of restricted gifts as part of the University’s annual budget process.
- Restricted gift funds should be spent in a timely manner. An accumulated balance shall be limited to the total amount of gifts received in the prior two years unless supported by planning among the Department Chair, Dean, and Donor.

Unrestricted operating deficits should be covered by any available, non-specifically restricted resources within the respective department or program.

### **Suggested Best Practices**

- Financial information is not uniformly accessed in Banner by all Academic Department Assistants and Departmental Chairs. Suggested improvements :
  - Increase training of Departmental Assistants in use in accessing restricted gift funds on a current basis.
- Continual stewardship
  - Students not only provide great stewardship for donors when they write thank you notes but this practice also helps students understand that tuition does not cover all the costs of their education. Doing this inculcates greater alumni participation in future fund-raising.
  - To increase stewardship opportunities, restricted funds should be spent and not accumulated for a rainy day although they may be accumulated for a specific purpose which will require additional funds to be raised. The donor should be made aware of those plans.

## **5.12 Condolence, Congratulations, and Other Recognition Guidelines**

Members of our University community frequently experience personal events—ranging from happy events, such as the birth or adoption of a child, to sad events, such as the death of a loved one—that the University wishes to recognize. In addition, the University is committed to celebrating the service and contributions of our employees, while recognizing that our resources are provided by students, their parents, and our donors. To help the University meet its goals while recognizing the limitations on our resources, we adopted these “Condolence, Congratulations, and Other Recognition Guidelines.”

### **A. Condolences**

1. If anyone learns of a death, illness, or similar event of a current or retired faculty member (full-time, contingent, or adjunct), staff member, student, Board of Trustees member, advisory board member, alumnus, or other friend of Stetson University, notification should be given as soon as

possible to the Provost, Human Resources, Dean of Students, President's Office, or the Office of Development and Alumni Engagement, as appropriate. Similar notification should be made in the event of the death of a spouse, child, or parent of the people listed above.

2. It is the responsibility of the person notified to alert other administrators and employees who need to know about the situation.
3. Administrators should alert their employees to inform them of these deaths, illnesses, or similar events as appropriate and subject to paragraph 4 below.
4. In most cases, no one should send an announcement about a death unless that person's family or representative, gives permission. Further, the communication of any sensitive or confidential medical information about an individual should first be reviewed by Human Resources.
5. The Dean of Students Office, Provost's Office, Human Resources Office, and/or President's Office will be responsible for sending flowers on behalf of the University upon the death of a current student, current or retired faculty or staff member, and current or former member of the Board of Trustees or advisory boards, respectively. Individual collections may be taken at the departmental level for situations beyond those listed. Exceptions to these guidelines may be made at the President's discretion.
6. The Dean of Students has the discretion to send a Get Well or Thinking of You remembrance in the case of a student's serious health or other condition.
7. In some circumstances where a death has occurred, the family may request a donation in lieu of flowers. Because University policy prohibits using institutional funds for charitable donations, the appropriate office will instead send a condolence card to the family on behalf of the institution. Only Human Resources has discretion to approve a different course of action, or to recognize circumstances beyond what is contemplated under this policy.
8. Deans and directors are strongly encouraged to send a personal note to the affected student, employee, or other friend of the University.
9. If the funeral or memorial service is in town, a representative of the University should attend.
10. The University will not, as an institution, sponsor a collection for an individual. However, if the person affected agrees, individual employees may, upon their own initiative, take up a collection for an affected student or employee. No material use of school resources should be used in such an effort to avoid issues of private inurement.

### B. Congratulations

1. University funds are not to be used for purchase of congratulatory gifts or celebrations. However, individual employees may, upon their own initiative, take up a collection for congratulatory or other gifts.



2. As a student centric University, recognition for academic, scholarly, and athletic achievement does not fall under this policy.

### C. Retirements and Other Separations

The University periodically holds social events to recognize an employee's service and contributions at the time of retirement or departure under favorable circumstances. Below are the guidelines to be followed for these events.

1. Retirements - Official retirements are recognized by Stetson University through Silver Circle. If the employee is unable to or elects not to attend the annual Silver Circle event, Human Resources will obtain and forward the University retirement gift to the retiring employee.
2. Other Separations - Although the University does not provide University funds for farewell celebrations, it does provide space when available.

## 5.13 Quasi Endowment Policies

Quasi endowments (historically known as “Funds Functioning as Endowments”) are invested funds that allow for the expenditure of principal as well as income. Therefore, quasi endowments are not permanent funds, but they are considered long-term investments. Typically, quasi endowments are established with University-designated funds, but in some cases a donor may wish to create a quasi endowment for a specific purpose.

### **Purpose:**

- 1) To ensure that the proper Stetson University approval is in place for a) the establishment of any new University-designated quasi endowment, and b) for any additions to or withdrawals from existing quasi endowments (University or donor-designated)
- 2) To ensure that new donor-designated quasi endowments have sufficient flexibility and documented disclosure of Stetson University’s policies for the use of principal.
- 3) To ensure that any withdrawals from restricted quasi endowments comply with donor-intent

### **Policies for the establishment of quasi endowments**

#### **University-designated Quasi Endowment:**

The designation of *unrestricted* current-use (expendable) gifts or discretionary reserves to quasi endowment (new or existing) must be approved in writing by the following:

Up to \$250,000 – Executive Vice President and CFO (EVP/CFO) with notice to President

Over \$250,000 – EVP/CFO and EVP/Provost with notice to President, Chair of the Finance Committee and Chair of the Board of Trustees

Over \$500,000 – President, EVP/CFO, EVP/Provost, Chair of the Finance Committee, and Chair of the Board of Trustees

Quasi endowments are viewed as long term investments and are expected to remain intact for a minimum of seven years.

Stetson University does not permit the designation of *restricted* current-use gifts or restricted income reserves to quasi endowment. The expectation is that these funds will be spent down for purposes meeting the donor restriction.

#### **Donor-designated Quasi Endowment:**

Donors may establish a quasi endowment for unrestricted purposes or for a specific purpose provided the terms are broadly defined, acceptable to the University, and contain alternative use provisions.

The Donors’ understanding that income *and principal* will be available for spending at the discretion of Stetson University must be clearly documented. Donors must also be made aware of the University’s policy for the use of principal. The fund terms should be documented in a Statement of Understanding designed for quasi endowments.

### **Policies for the use of principal:**

Although quasi endowments allow for the withdrawal of principal, Stetson University generally views them as long term investments with principal remaining intact for a minimum of seven years. Accordingly, all withdrawals of principal are subject to approval by the following:

Up to \$250,000 – Executive Vice President and CFO (EVP/CFO) with notice to President

Over \$250,000 – EVP/CFO and EVP/Provost with notice to President, Chair of the Finance Committee and Chair of the Board of Trustees

Over \$500,000 – President, EVP/CFO, EVP/Provost, Chair of the Finance Committee, and Chair of the Board of Trustees

Note: Withdrawals from *restricted* quasi endowments are subject to donor intent as determined by the Office of Development and Alumni Engagement. In some cases, consultation with the University’s general counsel on such matters may be advised.

Requests for the withdrawal of principal should be made at least 6 months in advance or longer depending on the size of the withdrawal. Withdrawals may be limited to a certain percentage of principal (e.g., 1/3 of market value per quarter). The approval requirements for the use of principal do not apply to existing funds that have a previously accepted donor-requirement for withdrawals, but the requirement for notice on larger transactions still apply.

### **Scope:**

All quasi endowment funds.

### **Accountabilities:**

Development Officers are responsible for ensuring that Statements of Understanding adhere to Stetson University’s endowment policies. The Office of Development and Alumni Engagement is available to review all Statements of Understanding prior to same being submitted to the Donor for signature. Fiscal Officers are responsible for seeking the proper approval from the EVP/CFO for any University-designated additions to or withdrawals from quasi endowment. Fiscal Officers are responsible for spending income and/or principal from quasi funds in compliance with donor restrictions and/or Stetson University directions. The Office of Development and Alumni Engagement is responsible for providing the EVP/CFO with an interpretation of donor intent to ensure that withdrawals from donor-restricted quasi endowments comply with the terms of the gift.

### **Procedures:**

Realized bequests and proceeds from terminated Life-Income Plans designated by donors to create quasi endowments (allowing for the use of principal and income) should be reviewed with the EVP/CFO *prior* to the establishment of a quasi endowment. In the event Stetson University decides to use principal at that time (or plans to in the near term), the funds may be held in an operating reserve until spent in order to avoid the possibility of short-term investment losses if added to the endowment pool.

An annual report shall be submitted to the Board of Trustees and Finance Committee identifying all capitalization and decapitalization of quasi endowments for operational or capital needs

Effective Date: 05/2018

Approved or last revised date: May 4, 2018

Responsible Offices: Development and Alumni Engagement, Finance and Administration