



UNIVERSITY OF ST THOMAS PURCHASING AND PAYABLES POLICY

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

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SECTION I. PURPOSE

The purpose of the Purchasing and Payables policy is to:

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

SECTION II. APPLICABILITY

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

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

SECTION III. VENDOR SELECTION

A. Overview

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

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

B. Internal Vendors

St. Thomas has determined to provide internally, or contracted through an internal department (for example, dining services), certain goods and services. In these cases, St. Thomas, or the internally contracted vendor, has resources and expertise and can provide the goods and services cost-effectively. The purchase of these goods and services from an external vendor (other than those contracted through internal departments) will not be approved and may not be expensed or reimbursed without a written pre-decline from the internal service. If the internal service declines, all other purchasing requirements apply.

To view the goods and services that St. Thomas provides internally, please visit the Purchasing and Payables website.

C. Preferred Vendors

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

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

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

D. Other Vendors

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

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

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E. Branding

Please note that all departments and vendors must follow University branding and licensing guidelines found at [Logo Usage and Brand Guidelines \(stthomas.edu\)](http://stthomas.edu) and Marketing, Insights & Communications - Brand Toolkit (stthomas.edu). Purchasing Services shares this resource with preferred vendors and all departments are responsible for maintaining brand standards. In addition, St. Thomas has a brand licensing contract with CLC which is managed by the St. Thomas Bookstore. Vendors producing licensed product, with the exception of print (unless for resale) and furniture, fixtures, and equipment, are required to register with and submit designs through CLC. Purchasing Services has notified preferred vendors of this requirement, and other St. Thomas departments must also communicate this requirement, as needed, for their purchases.

SECTION IV. SUSTAINABLE PURCHASING POLICY

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

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

A. IT Equipment

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

B. Furniture Fixtures, and Equipment

1. Water-using appliances and fixtures shall meet the U.S. EPA WaterSense certification when available and practicable. This includes, but is not limited to, high performance fixtures like toilets, low-flow faucets and aerators, and irrigation systems.

2. Electrical products purchased by St. Thomas shall meet the U.S. EPA Energy Star certification when available and practicable.
3. When acquiring or replacing inefficient interior or exterior lighting, energy efficient equipment shall be purchased.
4. When maintaining buildings, products such as paint, carpeting, adhesives, furniture and casework with the lowest amount of volatile organic compounds (VOCs), highest recycled content, and low or no formaldehyde shall be used when practicable.
5. Carpet distributors and/or manufacturers of carpet installed at the university shall have a carpet recycling plan that is approved by Facilities Management.
6. Note: Facilities Management initiates or pre-approves facilities, furniture, fixtures, and equipment purchases to meet these standards when available and practicable.

C. Chemically Intensive Products and Services

1. Cleaning solvents should be biodegradable, phosphate free, and biobased when their use will not compromise quality of service or safety of campus environments.
2. Industrial and institutional cleaning products that meet Green Seal certification standards or have minimal presence of or exposure to potentially harmful chemicals under the guidance of the U.S. EPA shall be the preferred products purchased and used.
3. All surfactants and detergents used shall be readily biodegradable and shall not contain phosphates when practical.
4. Whenever possible, products and equipment should not contain lead or mercury. For products that contain lead or mercury, preference is for products with lower quantities of these metals and for suppliers with established lead and mercury recovery programs.
5. The university will use an integrated pest management program. Setting action thresholds, monitoring and identifying pests, using methods of prevention both physical and mechanical, followed by control with environmentally friendly products is the preferred method. The least toxic pest control substance or method will be purchased and used only as last resort, or when health and safety of individuals is a concern.
6. Note: The Director of Environmental Safety or VP of Facilities Management approves hazardous materials purchasing to meet these standards when available and practicable.

D. Food-Based Service Providers

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

E. Consumable Office Products

1. Recycled, recyclable, and compostable products will be promoted through supplier descriptions in eProcurement tools and used when practical.
2. Thirty per cent postconsumer waste recycled paper (higher recycled content encouraged) for all applications shall be the standard except when higher quality papers are required.
3. Paper, paper products, and construction products made from non-wood, plant-based contents such as agricultural crops and residues are encouraged.
4. Purchase or use of previously used or salvaged wood and wood products are encouraged.
5. Packaging that is reusable, recyclable, or compostable is preferred as is eliminating packaging or using minimum packaging for product protection as is practicable.
6. Note: Departments can see these designations on many products available in eBuy&Pay through preferred vendors.

F. Transportation and Fuels

1. The use of chlorofluorocarbon and halon-containing refrigerants, solvents, and other products shall be phased out, and new purchases of heating/ventilating/air conditioning, refrigeration, insulation, and fire suppression systems shall not contain them.
2. Departments purchasing university vehicles will be asked to consider vehicles with a low-carbon path including plug-in electric vehicles (PEVs) and plug-in hybrid electric vehicles (PHEVs). Fuels made from plant-based content are encouraged.
3. Travelers are encouraged to take the most economical and environmentally friendly forms of transportation including walking, shuttle services, and public transportation when available and practicable.
4. Note: Facilities Management reviews and approves hazardous materials purchases per these standards as applicable.

G. Sustainable Exceptions

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

SECTION V. SOURCING (BIDDING) AND NEGOTIATION

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

A. Sourcing (Bidding) Requirements

1. Bids are required for all purchases over \$10K. There are some category exemptions including but not limited to: utilities, legal/audit/tax services, public relations, sponsored program awards, and software renewal.

- a. This amount applies to the aggregate purchase amount covered by the contract, regardless of whether the orders/payments are expected to occur over time.
 - b. Payment type has no bearing on bid requirements.
2. Exceptions may be approved by Purchasing Services in limited situations based on the specific facts and circumstances (e.g., equipment that must match already owned equipment or a single source provider situation).
 - a. Sole Source purchases are allowed for externally sponsored programs when the prime award specifies a subawardee identified by a State, Federal or other granting authority.
 - b. Note: Please submit a Bid Exception form in eBuy&Pay to request bidding exception.
3. Minimum of three vendors must be included in the bid process.
 - a. To ensure fair and competitive bidding and to maximize the savings/value to the University, a minimum of three (3) vendors must be invited to provide bids.
 - b. A greater number may be used if desired.
4. Preferred vendors must be used for preferred vendor categories.
 - a. If a purchase is within a preferred vendor category, bid invitations should include only preferred vendors.
 - b. If the category does not have preferred vendors, qualified external vendors may be selected. Any exceptions from preferred vendor use in a preferred vendor category must be preapproved by Purchasing Services.
5. St. Thomas bidding system must be used.
 - a. Use of the St. Thomas bidding system is required to ensure bid compliance, maintenance of appropriate records, and the efficient compilation and analysis of costs.
 - b. Use of the St. Thomas bidding system also reduces processing time and increases ease of requesting and receiving bids.

B. Sourcing (Bidding) Awards

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

C. Grant Bidding

1. If using State of Minnesota or Federal money from Grants, please reach out to purchasing@stthomas.edu and they will assist with solicitation as a public posted solicitation, if needed, though drafting, solicitation, Q&A, scoring, and award.
2. Single Acquisition Thresholds
 - a. Micro-awards for purchases under \$10K may generally occur without bidding for federal and state grant projects but must follow more restrictive grant guidelines if needed
 - b. Awards between \$10-\$250K must follow university and grant requirements for bidding.

- c. Awards greater than \$250K generally require public bidding and must follow all university, state, federal, and grant requirements that apply.

3. Public and Private Bidding

- a. Purchases that use public or private grant funds may be subject to more stringent requirements and bidding thresholds than normal University purchases, in which case the grant requirement or threshold must be followed. Public grant purchasing may require federal and/or state bidding compliance and potentially require public bidding. Private grant purchasing may require adherence to more stringent purchasing requirements found in the grant agreement. Principal investigators for grants should contact purchasing@stthomas.edu for assistance with grant compliance. Invitation of a Targeted Group/Economically Disadvantaged/Veteran-Owned (TG/ED/VO) Small Business registered with the State of Minnesota may be also required based on the grant requirements and is generally encouraged.

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

SECTION VI. CONTRACT REVIEW, APPROVAL, AND EXECUTION

A. Contracting Responsibility and Authority

Unless authority is specifically delegated to another party in writing in accordance with the St. Thomas contracts policy, the St. Thomas Purchasing Services Department (“Purchasing Services”) is responsible for the preparation, review, approval, acceptance, and execution (signature) of all contracts to purchase goods and services, in accordance with established university policies and procedures. This ensures:

1. Compliance with state and federal laws and regulations
2. Compliance with St. Thomas policies and procedures
3. Appropriate risk mitigation through contracting
4. Appropriate recordkeeping of contract terms and conditions

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

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

B. Recordkeeping

All written contracts for the purchase of goods and services, regardless of dollar value, origination (vendor or St. Thomas), or signature authority, must be sent to Purchasing Services to ensure

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

centralized document retention at St. Thomas. Purchasing Services will store all contracts in accordance with the St. Thomas record retention policy and schedules.

C. St. Thomas Developed Master and Template Agreements

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

SECTION VII. SALES TAX EXEMPTION

St. Thomas has tax-exempt status in Minnesota and is eligible for a sales tax exemption in connection with the purchase of many goods and services. The St. Thomas sales tax exemption must be utilized when it is available in connection with the purchase of goods and services. In order to utilize the sales tax exemption, you must use a University credit card or university check (subsequent to a requisition/ purchase order process as applicable). The St. Thomas sales tax-exempt number may only be used for St. Thomas purchases.

The St. Thomas sales tax exemption may not be applied to personal methods of payment (personal checks, credit cards, or cash) even if the purchase is being made on behalf of St. Thomas.

SECTION VIII. INDEPENDENT CONTRACTORS

A. Definition of an Independent Contractor

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

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

1. Consulting
2. Entertainment
3. Guest Speakers
4. Game Officials
5. Technical Services
6. Other Professional Services

B. Independent Contractor / Employee Classification

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

Prior to entering into any goods or services contract with an individual or sole proprietor, St. Thomas must determine whether the individual is appropriately classified as an employee or independent contractor. The independent contractor portion of the vendor set-up process found in eBuy&Pay should be filled in completely by the department to clearly identify the business reason

for hiring the independent contractor. The determination of an independent contractor versus an employee will be made by Purchasing Services in consultation with Human Resources and the Office of General Counsel.

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

The preparation, approval, and execution of contracts must comply with the contract section of the St. Thomas Purchasing and Payables policy.

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

C. Payments and Reimbursements to Independent Contractors

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

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

To request payment for services provided by an independent contractor, please submit the payment request along with a signed contract to Accounts Payable. International visitors require additional documentation and may be subject to tax withholding. See [Finances @ St. Thomas - International Visitors and Scholars \(stthomas.edu\)](https://stthomas.edu/finances-international-visitors-scholars) for information.

SECTION IX. PAYMENTS OF EXPENSES INCURRED FOR ST. THOMAS BUSINESS

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

A. Direct Payment Methods

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

1. Check or Electronic Payments: eBuy&Pay Purchase Orders and Payment Requests
 - a. St. Thomas provides and maintains the eBuy&Pay system to facilitate the easy requisitioning and purchasing of university materials.
 - b. Purchases of goods over \$10K must be made through eBuy&Pay purchase orders.
 - c. This is the preferred method for purchasing goods and services and should be used for the majority of St. Thomas purchases.
 - d. Vendors may be offered Automated Clearing House (ACH/direct deposit) or AP Control (one-time credit card payment) at the sole discretion of Accounts Payable.

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- e. Non-PO invoices, independent contractor payment requests, and check requests should be made through eBuy&Pay payment request form
 - f. Appropriate substantiation is required for all university expenses (invoices, receipts, or check request substantiation)
2. St. Thomas Wells Fargo Program (Credit Card Payment)
 - a. Preferred method for goods purchases under \$5K.
 - b. All employees who engage in business travel on behalf of St. Thomas are encouraged to apply for a St. Thomas-sponsored credit card. Employees may use this card for all St. Thomas-sponsored business travel expenses.
 - c. Employees who spend greater than \$500 per year of university funds must use the St. Thomas Wells Fargo Program rather than reimbursement.
 - d. Please see Wells Fargo Program information for application, program details, and terms.
 3. Student-Initiated Check Request
 - a. Due to restrictions of eBuy&Pay, student-initiated payment requests must be made on a manual form located on the Purchasing and Payables website.
 4. Non-Compliant or Exception Payment Request
 - a. In rare/exception circumstances and with the pre-approval of Purchasing Services or Accounts Payable, departments may use the manual Non-Compliant/Exception Payment Request form located on the Purchasing and Payables website.
 5. Wire Transfer
 - a. Wire transfers are typically used for international payments when a check or credit card process is not accepted. All wire transfer requests must be approved by a Budget Manager and President's Cabinet member. For more information, see the Purchasing and Payables website for the Wire Transfer Request process.

B. Reimbursable Expenses

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

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

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

C. Category-Specific Guidance for Reimbursement

1. Goods and Services

- a. St. Thomas has competitively bid and contracted vendors for most materials and supplies. Departments must use preferred vendors for the purchase of goods and services in order to maximize savings to the university and ensure compliance with tax guidelines. Rapid delivery options will meet most all faculty, staff, and student needs.
 - b. On rare occasions (such as while traveling or in last-minute emergencies), faculty and staff may purchase office supplies for business purposes (totaling under \$250) on a university credit card or personal payment method and be reimbursed.
2. Payments to Individuals or Independent Contractors
 - a. Payments to an individual or independent contractor are not reimbursable.

D. Methods of Reimbursement

1. Employee Reimbursement

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

2. Student Reimbursement

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

3. Prepaid Expenses

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

4. Cash Advance (Employee Only)

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

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

E. Substantiation

1. All expenses must be sufficiently substantiated. Original documentary evidence, such as receipts or paid bills, is sufficient to support expenditure if they show both *proof of purchase* and *proof of payment*. In addition, documentary evidence will be considered sufficient if it includes the amount, date, place, and business purpose of the expenditure.

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2. If the expenses of an employee are not substantiated with original detailed receipts and descriptions of business purpose within 60 days of the purchase, the purchase amount may be included as income on the employee's IRS Form W-2.
3. Original detailed receipts are not required by the IRS for purchases under \$75 on university cards, except of itemized hotel receipts (always required) and/or applicable grant spending (which may have grant specific requirements). Under \$75 grant receipts are the responsibility of the principal investigator (PI), and may be auditable with the PI directly if not submitted to Accounts Payable.

F. Review Process

A reimbursement request or university credit card reconciliation must be completed in order for an employee or student to be reimbursed and for expenses to be considered business expenses. At least two distinct approvals are needed on employee spending: the employee's and the person authorizing the expenses. This generally is the employee's supervisor or a budget manager.

Requests for reimbursement must be submitted promptly. Reimbursement of expenses submitted after 60 days from the date they were incurred may be considered income and added to an employee's IRS Form W-2. If an employee is incurring expenses authorized by a different department from which he or she works, the employee must obtain the approval of the person authorizing such expenses.

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

SECTION X. TRAVEL PURCHASE POLICY

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

A. Preferred Travel Vendors

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

B. Travel Expenses

All expenses related to St. Thomas-sponsored travel that are eligible for reimbursement must be justifiable and reasonable. All transactions must include appropriate substantiation including original receipts or invoices, legitimate business purpose, and an attendee information. The university credit card program is the preferred method of payment for Travel expenses. University card receipts are needed for expenses of \$75 or greater, and for any dollar amount for and all hotel and many grant transactions. Faculty and staff may join travel rewards programs (air, lodging and ground transportation) and retain earned rewards for personal use. However, travel booking should be determined by most economical option(s), and not based on personal rewards. Faculty and staff may not earn/retain points for the travel of others, including university group travel. Please work

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with preferred vendors and/or purchasing directly to obtain appropriate discounts in lieu of points for group travel. The following categories of expenses are typically considered justifiable business expenses. (Disallowed expenses are documented in the [Disallowed Expenses](#) section of this policy.)

1. Air Transportation

- a. **Preferred Vendors.** Employees are required to purchase airline tickets through the preferred agencies. The purchase of airline tickets should be made as far in advance as possible to take advantage of maximum discounts available.
- b. **Personal Aircraft.** St. Thomas travelers are prohibited from traveling in their own or rented personal aircraft when on St. Thomas business.
- c. **Airline Reservations.** For domestic travel, St. Thomas will pay or reimburse coach or economy class travel only. When traveling internationally, St. Thomas will reimburse one fare class better than coach or economy class travel, such as Delta Comfort or United Premium Economy, as naming conventions differ by airline. (International travel is defined as travel outside of North America, not including Canada, Bahamas, Cuba, Mexico, or the Caribbean.) Upgrades and flight insurance are not covered by St. Thomas.
- d. **Additional Night Stays.** Business travel should include the minimum number of days/nights necessary to complete the business purpose. Additional night stays (typically Saturday) are encouraged when they do not interfere with employee responsibilities and when it results in significant airfare reductions. St. Thomas will cover lodging and meals relating to additional night stays, not to exceed airfare savings. Travelers must fully document the cost/benefit of staying over an additional night.
- e. **Frequent Flyer Miles.** Frequent flyer miles earned while traveling on St. Thomas business belong to the employee. However, preference of airlines by employees to attain mileage incentives should in no way influence the employee to accept a higher fare. Personal frequent flyer vouchers used for St. Thomas business trips are not reimbursable.
- f. **Canceled Air Travel.** In the event a trip is canceled, the St. Thomas preferred travel agency retains the ticketing information for reuse by that individual for St. Thomas business purposes. The individual must document business reason for cancellation and make every effort to reuse the ticket. Please connect with Purchasing Services if an occasional name change is required.

2. Lodging

- a. **Preferred Vendors.** Reservations for business trips must be made through a preferred travel agency excepting unique academic lodging situations including but not limited to monasteries, hostels, flats, and tents/campsites. Corporate and consortium rates for major hotel chains are available.
- b. **Incidentals.** The following lodging incidental expenses are acceptable with documentation:
 - i. Laundry bills on business trips extending beyond seven (7) business days
 - ii. Internet connectivity charges
 - iii. In-room dining (in alignment with meal expenses)
 - iv. Reasonable tips for bell and housekeeping staff

- c. **Hotel Rewards Programs.** Hotel rewards program points earned while traveling on St. Thomas business belong to the employee. However, preference of hotels by employees to attain hotel incentives should in no way influence the employee to accept a higher lodging cost. Hotel points used for St. Thomas business trips are not reimbursable.
 - d. NOTE: St. Thomas does not issue per diem payments, but reasonable lodging should generally fall within domestic or international per diem rates published at [per Diem Rates|GSA or U.S. Department of State | Home Page](#). Accounts Payable may follow-up for additional business purpose information if receipts look excessive.
- 3. Ground Transportation.** Travelers are expected to exercise prudence in their selection of transportation, both for local and non-local travel.
- a. **Car Rental.** Arrangements for rental cars may be made through a preferred travel agency. St. Thomas will pay or reimburse only for standard or compact car rates, unless a group traveling together for business requires a larger vehicle. Automobile rentals are subject to the following guidelines:
 - i. Do not accept additional car rental insurance if traveling domestically; St. Thomas provides insurance coverage. International rentals will require the purchase of insurance. Travelers should only purchase car rental insurance when traveling internationally.
 - ii. Do not accept advance purchase fuel. Return the rental car to the agency with a full tank.
 - iii. Submit the agreement as well as receipts to Accounts Payable.
 - iv. Mileage is not reimbursed in addition to the car rental charge and gasoline charges.

Traffic violations are the personal responsibility of the employee.

- b. **University Vehicle Use.** Employees may use a University fleet vehicle, if available, if the employee has an appropriate driver's license and driver approval from St. Thomas. Fleet vehicles may be obtained through Public Safety and Transportation and Parking Services. When using a St. Thomas vehicle for business, travel, fuel, and oil expenses will be covered by billing the department at the university mileage reimbursement rate.

Traffic violations are the personal responsibility of the employee.

- c. **Buses, Taxis and Other Ground Transportation.** Buses, taxis, and other ground transportation fees are covered while traveling to/from valid St. Thomas events and conferences, both local and non-local.
- d. **Personal Car Use.** A personal car may be used when it is the most practical and economical method of transportation. Normally, economical personal car use applies to trips within 300 miles (one-way) of the employee's workplace.

Employees using their personal automobile for business travel will be reimbursed at the standard IRS mileage reimbursement rate rather than for actual expenses. See the Purchasing and Payables website for the mileage reimbursement rate.

Employees using their own cars for St. Thomas business are obligated for damages to their car and liability for injuries/damages sustained by third parties.

Traffic violations are the personal responsibility of the employee.

- e. **Ground Transportation Rewards Programs.** Ground transportation rewards program points earned while traveling on St. Thomas business belong to the employee. However,

preference of ground transportation by employees to attain incentives should in no way influence the employee to accept a higher ground transportation cost. Ground transportation points/rewards used for St. Thomas business trips are not reimbursable.

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

- a. St. Thomas will pay the reasonable costs for meals and business-related entertainment (breakfast, lunch, and dinner) for employees and students traveling on St. Thomas business. St. Thomas also will pay for local meals and entertainment of one or more guests, provided such expenses have a business purpose and are reasonable and appropriate. The cost of meals and entertainment includes market appropriate taxes and tips (generally 15% for meals). Detailed receipts showing items purchased and tips must be submitted for transactions of \$75 or greater.
 - b. Group Meals should generally be purchased and paid on a single transaction. On rare occasion (for example, athletic teams or study abroad travel), it is not practical to purchase meals as a group. In such cases, coaches or group leaders may be issued a cash-advance and distribute reasonable meal funds to each participant, provided participants, one additional employee or student leader, and cash advance recipient, sign for the funds. The signed distribution list may be used for substantiation in lieu of detailed receipts. Additional NCAA rules and Athletics guidelines may apply and will be monitored and reported by the Athletics Department as needed.
 - c. On-campus student hosts for prospective students may be provided with a reasonable meal and entertainment stipend for hosting purposes only.
 - d. NOTE: St. Thomas does not issue per diem payments, but reasonable meals should generally fall within domestic or international per diem rates published at [per Diem Rates|GSA or U.S. Department of State | Home Page](#). Accounts Payable may follow-up for additional business purpose information if receipts look excessive.
5. **Communication Charges.** All business-related WiFi, telephone, fax, computer, and postage costs incurred during the business travel are allowed expenses. Travelers should use economical means of communication.
6. **Currency Conversion Fees.** Any conversion fees incurred while on business travel in a foreign country are allowed expenses.
- #### **7. Parking and Tolls**
- a. Employees may park at the airport or at an airport park-and-ride for a maximum of five days.
 - b. Employees may leave their car at St. Thomas free of charge while traveling on St. Thomas business, provided the car is registered with Transportation and Parking Services.
 - c. Tolls and parking fees are reimbursable regardless of the type of vehicle used.
- #### **8. Rail**
- a. The cost of first-class railroad fare is covered provided it does not exceed the cost of coach airfare.
 - b. Travelers who choose to use rail instead of available commercial air service will not be reimbursed for food or lodging expenses that would have been avoided by using commercial air.

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

C. Travel Considerations

1. **Local Travel.** When traveling to/from local events, per IRS guidelines, St. Thomas will only cover expenses between the employee's main office location and the event or home to the event, whichever is less.
2. **Team Travel.** Athletic team travel and travel by coaches and athletic staff may be subject to NCAA rules and regulations. Such travel must be authorized by the designated staff member and appropriate budget manager in the Athletics Department.
3. **Grant Travel.** Travel funded through grants is subject to applicable regulations and/or the terms and conditions of the grant agreement, St. Thomas policy and any other pertinent regulations. All spending may require receipts with no exceptions by payment type. Principal investigators are responsible for grant receipt compliance.
4. **Student Travel.** Students and student clubs and organizations traveling on behalf of St. Thomas and incurring reimbursable expenses are subject to the policies in the Student Club Handbook. Students should book and pay for their own travel. From time to time on an exception basis (depending on the particular facts and circumstances), St. Thomas pays for student travel, in which case students/departments should work with Purchasing Services prior to the trip.
5. **Personal Travel.** Travelers may combine personal travel with St. Thomas travel as long as the official trip serves a valid St. Thomas purpose. The employee must pay any and all additional costs of the personal portions of the trip with a personal method of payment. A university credit card should not be used for personal expenses while traveling.

The employee also has full responsibility and liability for any events that occur during personal portions of the trip. (Saturday night stays for the benefit of St. Thomas are not considered personal travel.)

6. **Foreign Travel.** The IRS has specific, complex rules pertaining to foreign travel when combined with personal travel. There will be greater documentation required when submitting an Employee Expense Report requesting foreign travel expenses to be reimbursed. Specifically, for trips in excess of seven (7) days, employees must attach an itinerary or agenda showing the daily details and business purpose of travel, including any dates for personal travel. If personal travel is included with business travel, a portion of the reimbursed air travel expense may be taxable to the employee.
7. **Travel with St. Thomas Colleagues.** Employees should normally pay for their own business travel with a university credit card and may not pay for the travel of other employees when they are not traveling together. When employees are traveling together, one employee may pay for the business travel (airfare, lodging, ground transportation, and meals) of other St. Thomas employees, provided that they use a university credit card and that the person making the payment is the most senior person traveling. Please be aware that TSA closely monitors personal information, so be sure you book all airfare with exact traveler names. Exceptions must be pre-approved by Purchasing Services.

8. **Spousal/Family Travel.** In general, the expenses of a spouse, family, or others accompanying the business traveler are not reimbursable. St. Thomas will not reimburse a spouse's or other family member's expenses when the spouse or family member has no significant role or performs only incidental duties. When a spouse or family member who attends a function has a significant role in the proceedings or is involved with fundraising activities, this constitutes a valid St. Thomas business purpose. Prior to travel, such expenses must be approved by the appropriate member of the President's Senior Staff. The spousal travel reimbursement rules are covered under IRS rules and regulations and may require additional documentation upon request from Accounts Payable.

SECTION XI. OTHER EXPENSES

1. **Alcohol.** Alcohol purchases will be paid or reimbursed by St. Thomas only in accordance with the St. Thomas Alcohol Policy. Generally, alcohol served at a St. Thomas-sponsored event, either on or off campus, will be paid or reimbursed only if a "Request to Serve/Use Alcoholic Beverages" form was submitted and approved by Dining Services prior to the event. Expense payment or reimbursement requests should include appropriate substantiation of the cost and approval through Dining Services. The "Request to Serve/Use Alcoholic Beverages" form is not needed for reasonable alcohol charges from a business meal.
2. **Memberships and Subscriptions.** St. Thomas pays for memberships and subscriptions when there is an appropriate business purpose. This includes memberships in professional organizations or subscriptions to professional magazines that are in the employee's name. Country club memberships must be approved by the Provost or President. If St. Thomas reimburses club dues and other membership costs to a St. Thomas employee, the personal use percentage of such costs must be included in the employee's taxable income per IRS guidelines. Contact the Controller's Office for general guidance on documenting personal and business usage of club memberships.
3. **Floral Purchases and Tributes.** In situations involving the death of a close family member of faculty or staff, the primary department may purchase a floral arrangement or memorial on behalf of St. Thomas/the department.

Floral Purchases and Tributes should be reasonable in cost (approximately \$100) and sent to the funeral home or church.

4. **Gifts for Individuals Not Employed by St. Thomas.** Floral purchases for individuals outside St. Thomas will be covered for a legitimate business purpose provided that the appropriate documentation and substantiation is provided. The substantiation must clearly state the necessary business purpose. Gifts of any kind to St. Thomas suppliers are prohibited.
5. **Faculty and Staff Recognition Events and Gifts.** The University supports a range of efforts to recognize employees. Reasonable and occasional recognition events for faculty and staff are considered valid business expenses by the University. Employee recognition or departure gifts must be purchased in St. Thomas campus or online stores. Any items not purchased through St. Thomas are disallowed as there are tax consequences to the individual and require significant additional work for Accounts Payable and Human Resources. Years of service awards, consistently administered that do not have additional tax consequences, are the responsibility of Human Resources and disallowed for other departments.
 - i. **Holiday Parties.** St. Thomas hosts annual parties that all employees are invited to attend, including the President's Christmas party. Departments may have recognition

events, team meetings etc. at any time during the year, however departmental Christmas parties are disallowed in favor of the St. Thomas-wide celebration.

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

6. **Fellowships, Scholarships and Grants.** Fellowships, scholarships, or grants awarded to individuals should generally not be processed through Accounts Payable. Please connect with Financial Aid to process these payments.
7. **Moving Expenses.** A new employee may be eligible for reimbursement of moving expenses. Moving expenses are reimbursed under the Moving Expense Program. Please contact Human Resources for more information.
8. **Charitable Contributions.** In limited circumstances, St. Thomas may donate University funds to outside organizations as long as the donation furthers the University's mission, aligns with its non-profit, charitable purpose, and comports with relevant IRS regulations and guidance for donations made by tax-exempt entities. In addition, unless a specific exception is approved by the President, St. Thomas may only donate University funds if:
 - i. The donation is to a reputable tax-exempt, charitable entity;
 - ii. The donation's objective cannot otherwise be achieved through a contractual arrangement or other written understanding with the potential recipient that identifies services and deliverables consistent with St. Thomas's mission;
 - iii. The donation is \$1,000 or less; and
 - iv. The donation is approved by the appropriate senior staff member.

Donations must be supported by documentation identifying the nature and amount of the donation; the relationship to St. Thomas; approval of the donation by the appropriate senior staff member; and proof of the organization's tax-exempt, charitable status. Supporting documentation should be promptly provided to the Accounts Payable department along with the request for payment.

NOTE: Some "donations" that are offered for business expenses, may be reclassified by Accounts Payable as a business expense rather than a donation provided the expense meets reasonability thresholds. This occasionally occurs with lodging, meals, or cultural sites managed by religious organizations. St. Thomas does not issue per diem payments, but reasonable lodging and meals should generally fall within domestic or international per diem rates published at [per Diem Rates|GSA or U.S. Department of State | Home Page.](#)

9. **Job Candidate Reimbursements.** On a case-by-case basis, St. Thomas reimburses job candidates for reasonable expenses incurred in connection with on-campus interviews and recruiting events sponsored by St. Thomas. In most cases, the job candidate is responsible for payment of his or her travel arrangements and may then seek reimbursement. A complete IRS form W-9, valid receipts, and a payment address are required. Expenses must be reimbursed directly to the job candidate. An employee may not pay the expenses of a job candidate and later be reimbursed.
10. **Gifts and Gift Cards.** Tommie Gift Cards may be ordered online through the St. Thomas bookstore and are chargeable to the department via an internal charge. Do not use your Wells Cards for internal transactions.

Limited circumstances allow gift cards for research participants, provided tax information is collected by the research team and provided timely and complete to Accounts Payable.

Constituent research (students, employees, alumni etc.) must use Tommie Gift Cards only. Please contact accountspay@stthomas.edu to discuss research gift procedures.

Special gift card circumstances exist for certain highly confidential transactions, such as Confidential Human Subject Research with IRB approval. IRB research related gift cards should generally be low in value (for example, \$25) and provided to human subjects without another relationship with St. Thomas. Recipient names/tax IDs will not be stored in Accounts Payable and two internal approvals are required for substantiation purposes, budget approval, and IRB approval. A similar process may be used for IPC client gift cards of similar low dollar value.

Rare additional gift card exceptions must be approved, in advance, by Accounts Payable to ensure appropriate IRS regulations are met.

SECTION XII. DISALLOWED EXPENSES

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

- Portion of air or train travel, auto rental, mileage, hotel costs, or meals for personal use
- Bus costs or mileage between a traveler's home and St. Thomas
- Mileage between the Minneapolis and St. Paul campuses; St. Thomas shuttle should be used
- All travel insurance (domestic car rental, flight, etc.) with the exception of international car rental insurance which must be purchased
- Upgrades (air, hotel, car, etc.), except for one step upgrade (example, Delta Comfort) for international travel
- Frequent Flyer tickets
- Airline club memberships
- Costs incurred by failure to cancel reservations
- Parking tickets, traffic violations, or personal automobile repairs
- Airport parking in excess of five (5) business days
- Car rental fuel fees (for not returning tank full)
- Liquor store purchases or store-purchased liquor
- In-room bars and alcohol
- Personal entertainment, in-room movies, video rentals, laundry
- Personal expenses including haircuts, shoeshines, saunas, massages, and health club fees
- Furniture including sit/stand desks, fixtures, file cabinets or shelving, equipment, carpet, paint, wallpaper, or other building or remodeling goods and services
- Appliances/Small Appliances such as: space heaters; refrigerators; microwave ovens; toaster ovens; and toasters
- Items affixed to walls/furniture such as: wall hangings; dry-erase boards; keyboard trays; and adjustable desktops
- Babysitter fees, kennel costs, pet, or house-sitting fees

- Personal vehicle expenses, such as gas, oil, repairs, etc.
- Home phone lines, DSL services, cable, or internet access except as approved through the Remote Access Program managed by Human Resources
- Flowers for employees, except as otherwise noted in this policy
- Gifts to employees and departing employees except as otherwise described in this policy
- Gift cards except as otherwise described in this policy
- Payment to a third party for services rendered or reimbursement of expenses
- Credit card delinquency fees or finance charges

CONTACT US

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

Website: <https://one.stthomas.edu/sites/purchasing-payables/>

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