



COLORADO STATE UNIVERSITY

S Y S T E M

Colorado State University • Colorado State University - Pueblo • CSU - Global Campus

Board of Governors of the Colorado State University System Fiscal Rules

Revised

June, 2018

TABLE OF CONTENTS

APPLICATION OF THESE RULES.....	1
DEFINITIONS	1
RULES AMENDMENTS.....	2
CHAPTER 1: ACCOUNTING	3
1.1. Accounting Principles and Standards.....	3
1.2. Accounting Systems	3
1.3. Controller Signature Authority.....	3
1.4. Fraud, Theft and Embezzlement.....	4
1.5. Capitalization of Equipment.....	4
CHAPTER 2: EXPENDITURES.....	5
2.1. Expenditures.....	5
2.2. Benefits and Perquisites.....	5
2.3. Procurement Cards.....	7
2.4. Unauthorized Expenditures.....	8
2.5. Advance Payments.....	9
2.6. Emergency Procurements.....	9
CHAPTER 3: CONTRACTS.....	11
3.1. Contracts in the Name of the Board.....	11
3.2. Contracts to be signed by or for the Board and Controller or Chief Financial Officer.....	11
3.3. What Constitutes a Contract.....	11
3.4. Contracts to be in Writing.....	11
3.5. Contract Policies and Procedures.....	12
3.6. Legal Review of Contracts.....	12
CHAPTER 4: CAPITAL CONSTRUCTION.....	13
4.1. Capital Construction Contracts.....	13
4.2. Capital Construction Funds.....	13

CHAPTER 5: TRAVEL	15
5.1. Scope.....	15
5.2. Responsibilities of the Approving Authority and Traveler.	15
5.3. Reimbursement of Expenses.....	15
5.4. Requesting Reimbursement for Travel Expenses.....	16
5.5. Allowable Travel Expenditures.....	16
5.6. Non-Allowable Travel Expenses.....	18
5.7. Spousal/Companion Travel.....	19
5.8. Own Lodging and Meals.....	19
5.9. Travel Authorization.	19
5.10. Travel Advances.....	19
5.11. Travel Card Program.....	19
CHAPTER 6: CASH.....	22
6.1. Funds to be Deposited.....	22
6.2. Change Funds and Petty Cash.....	22
6.3. Bank Accounts.....	22
6.4. Checks Returned for Insufficient Funds.....	23
6.5. Draws of Federal Funds.....	23
CHAPTER 7: BUDGET.....	24
CHAPTER 8: REPORTING	25
8.1. Financial Statements.....	25
8.2. Quarterly Financial Reporting.....	25
8.3. Cost Allocation Plans.....	25
CHAPTER 9: PAYROLL.....	27
9.1. Payroll Systems.....	27
9.2. Direct Deposit.....	27
9.3. Overpayments to Employees.....	27

APPLICATION OF THESE RULES

These Fiscal Rules of the Board of Governors of the Colorado State University System (hereinafter, the “CSUS Fiscal Rules” or “these Rules”) shall apply to the CSU System Office (the “System Office”) and to all Institutions of higher education under the control of the Board (the “Institutions”). The Institutions are currently comprised of: Colorado State University; Colorado State University-Pueblo; and Colorado State University-Global Campus. Each Institution and the System Office may, for itself and without additional approval by the Board, adopt its own financial policies, procedures, forms and financial systems, provided that, in the event of a conflict between these CSUS Fiscal Rules and any other such guidance, the applicable Fiscal Rule shall control.

DEFINITIONS

As used in these CSUS Fiscal Rules, the following definitions shall apply, unless the applicable Rule expressly states otherwise.

1. Board: The Board of Governors of the Colorado State University System.
2. "Capital construction" as used herein shall have the meaning described in C.R.S. §24-75-301(1), as now or hereafter amended.
3. Capital Construction Fund - A fund created by statute for the purpose of purchasing and/or maintaining land, buildings and equipment and for constructing buildings for use by the state.
4. Capital Construction Project - A construction project funded wholly or in part by funds from the state capital construction fund.
5. Controlled Maintenance Project - A maintenance project funded wholly or in part by funds from the state capital construction fund.
6. Controller: the official who is designated by the President, chief financial officer, or other official having the authority to make such a designation, to serve as the controller for each Institution and the System Office, respectively. If an Institution or the System Office does not have an official designated as its Controller, then “Controller” shall refer to its chief financial officer (CFO).
7. CSU System (“CSUS”): The Board and all entities under the control of the Board, including (but not limited to) the CSU System Office, Colorado State University, Colorado State University-Pueblo, and Colorado State University-Global Campus.
8. CSU System Office (“System Office”): the administrative offices of the Board and the CSU System and the officers who administer their financial affairs.

9. Equipment: Any tangible personal property that has a useful life greater than 1 year and a cost of more than \$5,000, which is not a permanent part of a building and does not lose its identity through incorporation into a more complex unit.
10. Institution: each Institution of higher education under the control of the Board (collectively, the "Institutions").

RULES AMENDMENTS

These Rules may be amended by approval of the Chief Financial Officer of the CSU System after consultation with the Institution Presidents.

CHAPTER 1: ACCOUNTING

1.1. Accounting Principles and Standards.

1.1.1. The accounting principles of the System Office and the Institutions shall be based on generally accepted accounting principles (GAAP) as adopted by the Governmental Accounting Standards Board (GASB). In addition, all applicable statutory provisions shall be met.

1.1.2. When it is necessary to report compliance of financial transactions with statutory requirements, supplemental schedules may be used. Preparation of separate statutory-based reports may also be necessary.

1.1.3. The Chief Executive Officer (CEO) and/or Chief Fiscal Officer (CFO) of each Institution and the System Office shall annually certify to the State Controller as to the adequacy of its systems of internal accounting and administrative controls. The certification form, content and due date shall be determined by the State Controller.

1.1.4. Each Institution and the System Office shall, at the request of the State Controller, provide such data and reports that are readily accessible or presently generated.

1.2. Accounting Systems

1.2.1. Unless otherwise designated by the Chancellor, the Institutions and the System Office shall have the option to use their own accounting systems with an automated interface into the state's system, or use the state's system directly, as determined by the responsible Controller or, in the case of the System Office, the Chief Financial Officer.

1.2.2. Automated interfaces between the Institution's or System Office's accounting systems and the state's accounting system will be coordinated between the State Controller's office and the Institution Controller, or, in the case of the System office, the Chief Financial Officer, or their respective delegates.

1.2.3. Access to the state's financial system shall be coordinated by each Institution and the System Office with the Higher Education Fiscal Coordinator. This access will include both direct access to the state's accounting system as well as query access to the state's financial data warehouse.

1.3. Controller Signature Authority.

1.3.1. As approved by the Chancellor for the System Office or the Institution President, The Chief Financial Officer (CFO) and/or Controller of each Institution and the System Office shall have the authority to sub-delegate signature authority as appropriate and shall document any delegations via an agreement signed by the CFO/Controller and each delegate.

1.3.2. Any changes to such delegations shall be approved by the CFO/Controller and the agreement shall be updated. The CFO/Controller may rescind or modify sub-delegations at any time.

1.3.3. Delegations are personal and do not transfer to an employee who fills a previously-delegated position. Delegates shall observe all rules, procedures, dollar thresholds, and other requirements of the Institution or the System Office, respectively, and the conditions, if any, of their specific delegation.

1.3.4. Each Institution shall annually report to the Chancellor the specific sub-delegations of authority that have been approved.

1.4. Fraud, Theft and Embezzlement.

1.4.1. Any suspected fraudulent misstatements of fact on any financial statement or other document, theft or embezzlement of university/system funds or assets should be immediately reported to the Institution Controller or Chief Financial Officer of the System Office.

1.5. Capitalization of Equipment.

1.5.1. Each Institution, and the System Office, is responsible for the proper accounting, inventorying, safeguarding and capitalizing of all its equipment. .

AUTHORITIES

C.R.S. §24-17-102(1) (Internal Controls)

C.R.S. §24-17-103 (Annual Internal Control Report)

C.R.S. §24-30-202(13)(a), (b), (d) (State Data Reporting Requirements)

C.R.S. §18-4-401 (Theft)

C.R.S. §18-5-102 (Forgery)

C.R.S. §18-8-407 (Embezzlement of Public Property)

C.R.S. §24-17-101 (State Department Financial Responsibility and Accountability Act)

C.R.S. §24-30-201 (1)(k) (Inventory Requirements)

CHAPTER 2: EXPENDITURES

2.1. Expenditures.

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

2.1.2. The Controller of the Institution or Chief Financial Officer of the System Office shall have the authority to approve all expenditures, including all contractual obligations to expend funds in the future, and to promulgate policies and procedures governing such expenditures. Employees authorized to approve Institutional or System Office expenditures are responsible for ensuring that expenditures are proper and have contemporaneous documentation which satisfies any need for justification of such expense.

2.1.3. Each Institution and the System Office shall implement procedures for documenting expenditures and shall have the authority to adopt new procedures, forms and disbursement methods, and to mandate their use. All expenditures and disbursements shall be made utilizing an approved form or method of documentation as required by the policies and procedures of the Institution or System Office.

2.2. Benefits and Perquisites.

2.2.1. A “perquisite” is an extra benefit, privilege, bonus, or allowance that is not ordinary compensation, authorized expense reimbursement, or approved supplemental pay. “Perquisite” does not include incentive awards, salary increases, fringe benefits established pursuant to C.R.S. §§ 24-50-104(8) and (9), or any other employment benefit authorized by state statute, these Fiscal Rules, or resolution of the Board.

2.2.2. An employee shall not have the authority to grant any perquisites, nor shall any employee receive any perquisite except as provided by state statute, Board of Governors resolution, or System Office or Institution policy, or by contract. Parking allowances (other than while in travel status) are not allowed except with approval of the Chancellor or Institution President.

2.2.3. The System Office and each Institution may establish policies and procedures for allowing certain expense reimbursements, benefits, and payments to employees within the limitations of this Fiscal Rule and applicable statutes. Such policies shall be approved by the Chancellor for the System Office or the Institution President. Policies may include (but are not limited to) the following types of expenditures and allowances:

2.2.3.1. Honoraria. An employee may earn an honorarium for a speaking engagement that is outside of the scope of the employee's official duties and working hours, is non-recurring, and is commensurate with the nature of the event and the benefit to the Institution making the payment. An honorarium payment made by an external party may be retained by the employee unless resources of the Institution or System were used in preparing the presentation, event scheduling, etc., or the engagement was during working hours and the employee did not take leave for that time. In the latter case, the honorarium should be turned over to the System Office or Institution, unless their respective CFO or Controller authorizes otherwise.

2.2.3.2. Transit and Parking Benefits. An Institution or System Office Policy may allow for mass transit benefits, extraordinary parking expenses, or other such benefits to be paid to an employee who is not in travel status, so long as such policy provides a benefit to the System or Institution and not only to the employee.

2.2.3.3. Discounted Tickets, Registration Fees, Etc. Institution or System Office Policy may provide for discounts to employees for events such as sporting events, seminars, instructional courses, cultural events and the like, so long as the policy is fair and equitable among employees.

2.2.3.4. Housing. An Institution or the System Office may provide housing, or a housing allowance, to an employee where the employee is not in travel status when:

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

2.2.3.4.2. The housing or housing allowance is of the type or amount that is most cost-beneficial and appropriate to the circumstances as possible;

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

2.2.3.4.4. The employee is responsible for all taxes as required by applicable state and federal tax code provisions and regulations in connection with such housing or housing allowance.

2.2.3.4.5. The President of an Institution or the Chancellor may receive housing or a housing allowance that is authorized by the Board as a part of his or her employment contract. Tax code provisions and regulations shall apply.

2.2.3.5. Bookstore Discounts. Discounts on books, office supplies and other bookstore merchandise may be authorized by each Institution and the System Office for its faculty

members and employees for purchases at its bookstores.

2.2.3.6. Authorized Commuting: Where motor vehicles owned by the System or Institution are used for commuting to or from any place of work, the employee must obtain prior written authorization signed by the System CFO or Institution Controller based on review and verification of the justification in accordance with C.R.S. §24-30-1112 - 1114. The employee shall be imputed income for the use of the vehicle at a rate that approximates the benefit derived from the use of the vehicle and that complies with Internal Revenue Service publications and regulations.

2.2.3.7. Automobile allowances (i.e., non-accountable plans, see IRS Publication 5137) are provided only when specified in a negotiated contract of employment or as part of a program approved by the Chancellor or Institution President. An employee receiving an automobile allowance may not claim any other automobile-related expense, except for parking charges while in business travel status.

2.2.3.8. Meals: an Institution may provide meals to employees who are not in travel status at (or prepared by) a University-owned dining facility in connection with special events, meetings, or official functions, provided that the event, meeting or official function is directly related to official business of the Institution or System.

2.2.3.9. Incentive Awards: An Institution or the System Office may establish an employee incentive program that rewards employees based on some objective measure of production or accomplishment that increases revenue, decreases costs, or engenders donor giving. Employee incentive programs must be approved by the Institution President or System Chancellor.

2.2.3.10. Bonus Compensation may only be provided pursuant to a negotiated contract of employment or agreement approved by the Chancellor.

2.3 Procurement Cards.

2.3.1 The Procurement Card (PCARD) is a purchasing method whereby an authorized employee is issued a commercial credit card, with certain transaction limits set by the institution/system, for the purposes of incurring small dollar and/or required on-line purchases as well as covering meal expenditures in conjunction with recruitment and other advancement type events/activities on behalf of the institution/system.

2.3.2 PCARD shall not be used in lieu of a purchase order or contract when one is required by these rules or the institution's/system financial policies and procedures.

2.3.3 PCARD is a point-of-sale ordering method only and should not be used to pay invoices after-the-fact nor to make any future commitment (such as in the case of an open account with a

Board of Governors of the Colorado State University System

Fiscal Rules

Revised June, 2018

vendor).

2.3.4 Transactions using the PCARD shall not be split into multiple payments for the purpose of satisfying transactional limits on the card. PCARDS are to be used only for purchases where the total amount, including any additional charges such as shipping, are within the single purchase limit that is set on the PCARD. Multiple (split) transactions are considered misuse of the PCARD and shall be handled as such.

2.3.5 Personal purchases are never permissible using the PCARD. Personal purchases are automatically considered misuse of the PCARD and may be also considered fraudulent activity depending upon the situation.

2.3.6 PCARD statements must be dated and signed by the PCARD holder attesting that all charges are legitimate and for business purposes only. Immediate supervisors of PCARD holders must also review and sign each statement certifying that all charges are legitimate and for business purposes only. Each institution is responsible for reconciling disbursements made to the issuing bank with the total of validated individual charges for each billing cycle.

2.3.7 PCARD may be used for the purchase of goods or services; however, each institution is responsible for IRS Form 1099 reportable transactions and shall have a methodology in place to report such transactions.

2.3.8 All incidents of PCARD misuse shall be reported to the institution's Procurement Card Authority, and fraudulent activity shall also be immediately reported to the institution's Controller or Chief Financial Officer. A pattern of recurring misuse, or any instance in which personal use of a PCARD is flagrant and substantial, shall be considered as fraudulent. Cardholders shall be held liable and required to immediately repay the Institution for all amounts charged to a PCARD for personal use.

2.3.9 Each institution will establish its own policies, procedures, and forms governing use of the Procurement Card. Such policies and procedures shall contain specific consequences for misuse of a PCARD, including, but not limited to, card revocation.

2.3.10 When an Institution has established a mandatory price agreement with a vendor or vendors, the PCARD shall not be used to intentionally evade the use of the contracted vendor(s). A PCARD shall not be used recurrently to evade established dollar limits on PCARD purchases.

2.3.11 LOST OR STOLEN CARDS MUST BE REPORTED IMMEDIATELY. Cardholders must contact the issuing bank to report a lost or stolen card, except as otherwise provided by the Institution's policies and procedures.

2.4 Unauthorized Expenditures.

2.4.1 Liabilities shall not be incurred nor payments made on the system's or institution's behalf
Board of Governors of the Colorado State University System

Fiscal Rules

Revised June, 2018

without prior approval of a purchase order or procurement contract. No payments shall be made on any purchase or contract that violates this rule unless the expenditure or obligation has been ratified by the Vice President of Finance, Controller, or his/her designee of the Institution or Chief Financial Officer of the System Office. Any person(s) who incurs, orders or votes for an obligation or makes payment which creates such a violation shall be personally liable for such obligation or expenditure, unless the contract or purchase order is ratified by the Vice President of Finance, Controller, or his/her designee of the Institution or Chief Financial Officer of the System Office. The Vice President of Finance, Controller or his/her designee of the Institution or Chief Financial Officer of the System Office, in his or her sole discretion, may ratify the expenditure or obligation after consideration of the following:

- 2.4.1.1 Prices/rates are fair and reasonable;
- 2.4.1.2 Amount of the expenditure is within the unencumbered balance;
- 2.4.1.3 Responsible person provides a written explanation in accordance with institution/system office guidelines;
- 2.4.1.4 The parties did not act in bad faith or in a fraudulent manner; and
- 2.4.1.5 The violation is not repeated or part of a consistent pattern of violations.

2.5 Advance Payments.

2.4.1 Advance payments are payments made for goods or services prior to the receipt thereof. Advance payments are prohibited however waivers of this rule both by specific payment or by types of payments may be granted by the Vice President of Finance, Controller, or his/her designee of the Institution or Chief Financial Officer of the System Office when the unit requesting the advance payment has demonstrated that such payment is an established industry standard and/or provides a benefit at least equal to the cost and risk of the advance payment.

2.6 Emergency Procurements.

2.6.1 Disbursements for emergency procurements may be made upon presentation of invoices, receipts, or other statements describing goods or services purchased and the amount to be paid. Goods and services necessary to respond to an emergency may be procured immediately, without issuing a commitment voucher or obtaining a written waiver from the Vice President of Finance, Controller, or his/her designee of the Institution or the Chief Financial Officer of the System Office when all of the following are met:

2.6.1.1 The nature of the threat requires an immediate response and there is insufficient time to issue a commitment voucher;

2.6.1.2 The procurement is authorized by the individual who has final executive

authority for the institution or system office, or his/her delegate;

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

2.6.1.4 A commitment voucher is executed as soon as possible to define future performance obligations, if any, of the vendor and the institution/system office; and

2.6.1.5 The Vice President of Finance, Controller, or his/her designee of the Institution or Chief Financial Officer of the System Office are notified in writing, as soon as possible, of the circumstances, goods and services purchased, and the dollar amount of the commitment.

AUTHORITIES:

Colo. Const. Article V, Section 33 - Disbursement of public money

Colo. Const. Article XI, Section 1 - Public Indebtedness.

C.R.S. §23-30-102 - Board body corporate - powers relating to real and personal property

C.R.S. 23-30-106 - Board of governors of the Colorado state university system fund-creation-control-use

C.R.S. §23-31-101, et seq., Colorado State University

C.R.S. §24-2-103 (compensation for state employees)

C.R.S. §24-30-202(3) (liability for unauthorized obligations)

C.R.S. §24-30-202(13)(b) exemption for higher education from state fiscal rules

C.R.S. §24-102-207(2) statewide procurement card agreement

CHAPTER 3: CONTRACTS

3.1. Contracts in the Name of the Board.

All contracts between an Institution or the System Office and any other party shall be made in the name of the Board of Governors of the Colorado State University System, acting by and through the Institution or CSU System Office, for the use and benefit of the interested department or unit.

3.2. Contracts to be signed by or for the Board and Controller or Chief Financial Officer.

3.2.1. Except for contracts that are specifically reserved to the Board for approval, and in strict accordance with delegations made by the Board, each Institution President and the Chief Financial Officer of the System Office, or their authorized sub-delegates, acting on behalf of the Board, shall execute all contracts for his or her respective Institution or Office.

3.2.2. Contracts and commitments that will result in the expenditure of funds shall also be approved by the Controller or Chief Financial Officer for each Institution or the System Office, or their authorized sub-delegates, in accordance with their applicable policies and procedures (except for purchase orders and small-dollar transactions for which approval has been waived under a procedure approved by the CFO or Controller).

3.3. What Constitutes a Contract.

A "contract" as used herein includes any and all agreements, however titled, that are intended to be legally enforceable and binding on the parties to such agreement. Examples of contracts include, but are not limited to, expenditure contracts, revenue contracts, leases of real or personal property, real property agreements, academic and cooperative agreements, interagency and intergovernmental agreements, licenses, grants, construction contracts, personal services contracts, and intellectual property conveyances. "Contract" does not include a purchase order or procurement card transaction, unless otherwise specified.

3.4. Contracts to be in Writing.

All contracts shall be documented in writing, and no employee, member, or officer of the Board, an Institution or the System Office shall have any authority to make a binding oral contract, acting in a representative capacity. Persons obligating the Board or its Institution or System Office to any performance or expenditure who lack the requisite authority to make such obligation, or in contravention of applicable policies and procedures, may be held personally liable therefor, but the Board, Institution, and System Office shall not be liable for such unauthorized contracts or expenditures except upon the express, written approval (ratification) by its Controller or CFO, respectively.

3.5. Contract Policies and Procedures.

Each Institution and the System Office shall promulgate policies and procedures for making and executing contracts, purchase orders, procurement card transactions, disbursement vouchers, and all other forms of commitment voucher, and such policies and procedures shall be approved by the Institution President or the Chief Financial Officer of the System Office, respectively.

3.6. Legal Review of Contracts.

The Office of General Counsel (OGC), or an attorney designated by the OGC for the Institution, shall review and approve all contracts that are required by statute or by the Colorado Attorney General's Office to have a legal review. Legal review is required for services contracts of \$100,000 or more in total value and for all contracts determined to be high risk or using non-standard (pre-approved) forms. Such contracts are not valid and shall not be implemented until signed by a duly authorized attorney. The OGC may establish stricter legal review criteria per institution.

AUTHORITIES:

Colo. Const. Article V, Section 33 - Disbursement of public money

Colo. Const. Article XI, Section 1 - Public Indebtedness.

C.R.S. §23-30-102 - Board body corporate - powers relating to real and personal property

C.R.S. §23-30-106 - Board of governors of the Colorado state university system fund - creation - control - use

C.R.S. §23-31-101, et seq., Colorado State University

C.R.S. §24-30-202(3) (liability for unauthorized obligations)

C.R.S. §23-31.5.101, et seq., Colorado State University – Pueblo

CHAPTER 4: CAPITAL CONSTRUCTION

4.1. Capital Construction Contracts.

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

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

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

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

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

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

4.2. Capital Construction Funds.

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

4.2.2. This subsection 4.2.2 does not apply to projects that are to be constructed solely from cash funds held by the Institution or federal funds made available for the project or a combination of the cash funds and federal funds. Professional Services Contracts funded by the Board of Governors of the Colorado State University System

Fiscal Rules

Revised June, 2018

state capital construction fund shall be executed and the funds encumbered within the time limits established by C.R.S. §24-30- 1404. If an Institution determines that the deadlines imposed by the statute cannot be met, the Institution may request the Capital Development Committee to recommend to the State Controller that the deadline be waived.

AUTHORITIES:

C.R.S. §24-30-1301 (State Buildings Division)

C.R.S. §24-30-1404 (Contracts)

C.R.S. §24-75-301-306 (Capital Construction Fund)

C.R.S. §24-91-101-110 (Construction Contracts with Public Entities)

C.R.S. §24-92-101-114 (Construction Bidding)

C.R.S. §38-26-106 (Contractor Bonds)

C.R.S. §38-26-107 (Supplier Claims)

CHAPTER 5: TRAVEL

5.1. Scope.

This rule addresses travel advances and the request and reimbursement of travel expenses for employees of the Colorado State University System and its Institutions.

5.2. Responsibilities of the Approving Authority and Traveler.

5.2.1. Traveler's Responsibilities.

5.2.1.1. Traveler is responsible for controlling expenses at a reasonable level and ensuring that the System Office or Institution receives adequate value for the amounts expended.

5.2.1.2. Traveler shall identify expenses incurred for the benefit of the System or Institution and request an advance or reimbursement for only those expenses.

5.2.2. Approving Authority's Responsibilities.

5.2.2.1. The Approving Authority shall be a responsible administrator assigned by the CFO of the System Office or the CFO or Controller of an Institution to authorize travel expenditures for a college, department or unit for official business purposes. The Approving Authority shall review the travel expenses requested by a traveler and authorize any applicable advance or reimbursement for only those expenses incurred on System or Institution business. An Approving Authority may require any documentation deemed necessary in connection with the review and authorization of the travel and the resulting expenditures.

5.3. Reimbursement of Expenses.

Reimbursement or advancement on travel expenses is allowable only under the following conditions:

5.3.1. Travel is on System/Institution business;

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

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

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

5.3.5. Travel expenses are reasonable under the circumstances;

5.3.6. Traveler submits adequate documentation of the travel expenses to the Approving Authority;

5.3.7. Travel is for traveling away from home.

5.4. Requesting Reimbursement for Travel Expenses.

5.4.1. An employee of an Institution or the System Office may submit a claim for advancement or reimbursement of travel expenses. The following conditions, requirements and limitations shall apply:

5.4.1.1. For travel within a single day, reimbursement for lunch shall not be allowed.

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

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

5.4.1.4. Members of the Board of Governors may be reimbursed for actual and necessary travel expenses incurred in the performance of their duties, to the extent that such expenses are reasonable under the circumstances. The System Office shall be responsible for such reimbursements.

5.4.1.5. When business travel is combined with personal travel, the traveler is responsible for all costs incurred in connection with the personal portion of the travel.

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

5.5. Allowable Travel Expenditures.

5.5.1. Policies, Procedures and Forms: Subject to the provisions of these Fiscal Rules, the System Office and each of the Institutions may each develop its own policies, procedures and forms for processing travel expenditures, and the same shall be approved by the CFO of the System office or the Institution President. The policies and procedures shall, at a minimum, require the advance approval of

travel except in extraordinary circumstances and the certification of expenses by the traveler.

5.5.2. Lodging: The traveler shall submit receipts for lodging as documentation of the expense and shall be reimbursed for the actual cost of lodging, not including personal incidental expenses. Cost of lodging should not exceed that of standard room in a mid-market business hotel of reasonable quality and location, without a written justification approved in advance by the approving authority.

5.5.3. Meals and Incidental Expenses; Per Diem Rates:

5.5.3.1. The System Office and each Institution shall follow the standard meal allowance method as described in the IRS Publication 463, Travel, Entertainment, Gift and Car Expenses.

5.5.3.2. Traveler may claim up to the applicable federal Meal and Incidental Expense (M&IE) for each full day of travel, not including the first day of travel or the last day of travel. Expenses on first day of travel may be claimed by the traveler based on 75% of the destination city's per diem rate and on the last day based on 75% of the departing city's per diem rate.

5.5.3.3. Under no circumstance shall a traveler request reimbursement for more than the applicable per diem rate.

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

5.5.3.5. The Federal General Services Administration's Meals & Incidental Expense rate shall be used to determine all per diem reimbursements based on the location the traveler for each day of the trip. These rates can be found at <http://www.gsa.gov/portal/category/21287>.

5.5.4. Transportation: A traveler shall be reimbursed only for the amount of the most cost-effective method of transportation available to the traveler that satisfactorily accomplishes the System's/Institution's business. Receipts shall be required for reimbursement of transportation expenses when the cost exceeds \$25.

5.5.5. Rental Vehicles: To mitigate risk to the System and Institutions, travelers shall rent vehicles with credit cards with corporate insurance coverage or accept the insurance offered by the rental company. If the rental company insurance option is used, travel reimbursement may include that cost. Receipts for rental vehicles shall be required for reimbursement. The System Office or Institution's policies and procedures may specify that fleet vehicles or a selected vehicle rental vendor must be used when reasonable and available.

5.5.6. Mileage for Personal Vehicles: A traveler shall be allowed mileage reimbursement for each mile actually and necessarily traveled on System/Institution business using the traveler's personal vehicle. A traveler normally shall be reimbursed at the two-wheel drive mileage rate. The use of the four-wheel drive rate is limited to when a four-wheel drive vehicle is actually used and is necessary because of road, terrain or adverse weather conditions. The rates for mileage are set by C.R.S § 24-9-

104(2), as now and hereafter amended.

5.5.7. Airfare. The System Office and each Institution shall each develop policies and procedures on air travel.

5.5.7.1. Such policies and procedures may include provisions requiring travelers to use selected travel agencies and/or airlines when reasonable and available.

5.5.7.2. All travel shall be completed using the most economical means available that will satisfactorily accomplish official business. It is the expectation that travelers will book coach or economy class (non-stop), unless an allowable exception exists and prior approval has been documented. Institutional policies may allow for reasonable economy class upgrades (extended legroom upgrades, not first or business class) on flights exceeding five hours, and business class upgrades on international flights exceeding 14 hours without time to rest, as well as charges for advance seat selection and checked and carry-on baggage needed for University business purposes. Other reasons for allowing a business class upgrade may include: a documented medical disability for which the upgrade has been documented by the appropriate disability/equity office for the institution or system office as a reasonable accommodation; last seat available; or when there is an overall cost savings by avoiding lodging or other expenses.

5.5.7.3. When traveling on federal funds, regulations require selecting the lowest cost airfare unless a specific exception applies.

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

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

5.6. Non-Allowable Travel Expenses.

A traveler shall not be reimbursed for the following types of expenses:

5.6.1. Alcoholic beverages.

5.6.2. Entertainment expenses.

5.6.3. Personal expenses above the incidental expense allowed.

5.6.4. Travel expenses incurred for political activities.

5.6.5. Traffic fines and parking tickets.

5.6.6. Late fees on any System/Institution travel card.

5.7. Spousal/Companion Travel.

5.7.1. Reimbursement for employee's spouse or other traveling companion shall not be allowed except as specifically authorized by procedures approved by the Chancellor of the System Office or President of the Institution.

5.7.2. Such procedures shall not permit reimbursement of spousal or companion travel that was not authorized by the Approving Authority in advance of commencement of travel.

5.8. Own Lodging and Meals.

Reimbursement for travelers who provide their own lodging and meals may be allowed. The System Office and each Institution may develop its own procedures for reimbursing such expenses; however, under no circumstances shall the reimbursement rates exceed the then-current per diem rates established by this Rule.

5.9. Travel Authorization.

All System/Institutional travel shall be authorized by written or electronic approval prior to the trip. The System Office and each Institution shall develop its own procedures for approval authorizing travel, and such procedures shall be approved by the Chancellor, for the System Office, or Institution President.

5.10. Travel Advances.

Travelers shall be allowed travel advances when necessary. All travel advances require written or electronic approval prior to the commencement of travel. The System Office and each Institution shall develop procedures for the form, approvals, amounts and settlement of advances and such procedures shall be approved by the applicable Chancellor/President.

5.11. Travel Card Program.

The System Office and each of the Institutions may utilize any travel card program that meets their business needs, and create or adopt rules and procedures related to their office/campus use of that card program.

AUTHORITIES:

C.R.S. §24-9-104(2) – Mileage Allowances

IRS Publication 463 (2008) – Travel, Entertainment, Gift, and Car Expenses

Rev Rul. 99-7, 1999-5 C.B. 4, Deductibility of Daily Transportation Expenses

CHAPTER 6: CASH

6.1. Funds to be Deposited.

Funds that are received by the System Office/Institution shall be deposited timely directly to the state treasury or into a depository account that is transferred to the state treasury.

6.2. Change Funds and Petty Cash.

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

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

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

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

6.3. Bank Accounts.

6.3.1. The System and its Institutions may open new bank accounts only with the prior, written approval of the State Treasurer, the State Controller, and the Board.

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

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

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

6.3.5. Changes to authorized signatories on any existing bank account may be made only with the prior, written approval of the Institution President or, for the System, the Chancellor.

6.4. Checks Returned for Insufficient Funds.

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

6.5. Draws of Federal Funds.

The System Office or Institution shall make draws of federal funds as closely as possible with the use of those funds.

AUTHORITIES:

C.R.S. §24-36-103 – Transmit Monies to State Treasurer

C.R.S. §24-36-104(2.5) – Monies to be Deposited

C.R.S. §24-75-202 – Imprest Cash Accounts

C.R.S. §24-30-202(25) – Returned Check Penalty

31 CFR, Part 205 – Federal Cash Management Act

CHAPTER 7: BUDGET

Chapter 7 is reserved for future use. Rules included within Chapter 7 of the Colorado State Fiscal Rules have no application to the Colorado State University System or Institutions.

CHAPTER 8: REPORTING

8.1. Financial Statements.

8.1.1. Audited annual financial statements of the CSU System and its Institutions shall be prepared in accordance with generally accepted accounting principles.

8.1.2. The Office of the Chancellor within the CSU System Office is the oversight body for the preparation and presentation of CSU System and institutional year-end audit documents and related items. In addition the office of the Chancellor is the designated oversight body for monitoring the performance of the campuses through quarterly financial statement preparation and presentation to the board.

8.1.3. Financial statements prepared by the CSU System shall be reconciled to the state financial system.

8.2. Quarterly Financial Reporting.

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

8.3. Cost Allocation Plans.

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

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

8.3.3. CSU System Institutions will periodically review their cost allocation methodology to ensure that the methodology represents the best allocation attainable.

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

8.3.5. Each Institution that receives cash funds based on fees charged to users shall compute an indirect cost allocation that identifies and allocates all indirect costs to all appropriate cost objectives. Allocations to cash programs shall be used as a component in the calculation of fees that recover the full cost of cash funded programs and services

8.3.6. The allocations shall include all costs allocated to the Institution in the Statewide Budget/Cash Cost Allocation Plan.

AUTHORITIES

C.R.S. §24-30-201

C.R.S. §24-30-202 (13)(a),(b)

C.R.S. §24-75-102

CFR: Title 48, Chapter 99, Subchapter B, Part 9904: "OMB" Cost Accounting Standards Board, Cost Accounting Standards"

Federal OMB Circular A-21: "Cost Principles for Educational Institutions"

Federal OMB Circular A-87: "Cost Principles for State and Local Governments"

CHAPTER 9: PAYROLL

9.1. Payroll Systems.

The Institutions within the Colorado State University System shall have the option to use either campus-based payroll systems, the State of Colorado payroll system, or contract these services out as deemed necessary.

9.2. Direct Deposit.

Employees paid either monthly or bi-weekly through an Institution or System office payroll system shall have their checks direct-deposited unless an exception is approved by the Institution Controller or System Office CFO, or their respective delegates.

9.3. Overpayments to Employees.

9.3.1. Through error, an employee may be paid more than is due. When the error is detected, provisions shall be made for the repayment of the overpayment.

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

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

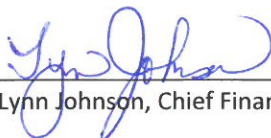
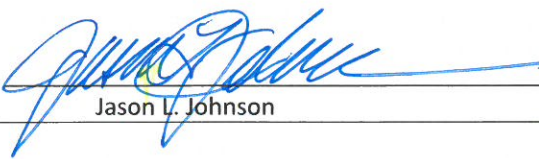

AUTHORITIES

C.R.S. §24-30-201(1)(e)

C.R.S. §24-30-202(1), (8.5), (13)(b)

C.R.S. §24-50-104(8)(a) (Payment of Salaries)

APPROVALS

<p>CSU SYSTEM:</p> <p>By:  Lynn Johnson, Chief Financial Officer</p> <p>GENERAL COUNSEL:</p> <p>By:  Jason L. Johnson</p>	<p>FINAL APPROVAL:</p> <p>By:  Dr. Anthony A. Frank President, Colorado State University Chancellor, CSU System</p> <p>Date: <u>6/6/2018</u></p>
---	--