



COLORADO STATE UNIVERSITY

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Board of Governors of the Colorado State University System Fiscal Rules

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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.

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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”).

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 a conflict between statutory provisions and generally accepted accounting principles exists, generally accepted accounting principles take precedence in financial reporting.

1.1.3. 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.

1.1.4. 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.

1.1.5. 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. 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.

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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, 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. Monetary allowances shall not be given to employees in lieu of benefits, except as provided by statute or approved by the System CFO or Institution Controller.

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. 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.

2.3 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 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 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

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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. Such contracts are not valid and shall not be implemented until signed by a duly authorized attorney.

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 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.

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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. A 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. A 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. 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 reimbursement may be allowed. In these instances, the traveler shall make a reasonable allocation of the expenses between system/institutional business and personal purposes and the request for reimbursement shall contain such allocation and sufficient documentation to explain the basis of the allocation. If the employee obtains lower rates for the trip based on the extension for personal purposes then the lower rates shall also apply to the system/institution 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. Reimbursement for lodging provided by the traveler may be allowed by the System Office or Institution's respective travel policies.

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

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.

5.5.7. 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.

Board of Governors of the Colorado State University System
Fiscal Rules

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. Such statements shall be shared with the State Controller office or others as required or requested.

8.1.2. 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

Board of Governors of the Colorado State University System
Fiscal Rules

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 and the System Office 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)

Board of Governors of the Colorado State University System
Fiscal Rules

THE FOREGOING COLORADO STATE UNIVERSITY SYSTEM FISCAL RULES ARE HEREBY ADOPTED FOR THE CSU SYSTEM, AND EACH OF ITS INSTITUTIONS, EFFECTIVE AS OF DECEMBER 1, 2010. THIS DOCUMENT MAY BE SIGNED IN COUNTERPARTS. EACH COUNTERPART WHEN SO EXECUTED SHALL BE DEEMED TO BE AN ORIGINAL AND ALL OF WHICH TOGETHER SHALL CONSTITUTE ONE AND THE SAME AGREEMENT.

FOR THE CSU SYSTEM:

By: 

Chancellor

Date: 8/15 2012

FOR COLORADO STATE UNIVERSITY:

By: 

Dr. Anthony A. Frank
President

Date: _____

FOR COLORADO STATE UNIVERSITY-GLOBAL CAMPUS:

By: 

Dr. Becky Takeda-Tinker
President

Date: _____

FOR COLORADO STATE UNIVERSITY-PUEBLO:

By: 

Dr. Lesley DiMare
President

Date: _____

APPENDIX



Colorado State University System

Colorado State University ■ Colorado State University – Pueblo

Office of the General Counsel

01 Administration Building
Colorado State University
Fort Collins, Colorado 80523-0006
(970) 491-6270
FAX: (970) 491-2118

January 18, 2008

(Transmitted via e-mail only)

Mr. John Utterback
State Purchasing Director
State Purchasing Office
633 17th Street, Suite 1520
Denver CO 80202-3609
john.utterback@state.co.us

Mr. Bob Jaros
Deputy State Controller
633 17th Street, Suite 1500
Denver, CO 80202
bob.jaros@state.co.us

Re: State Purchasing Code and Rules Opt-Out

Dear John and Bob,

Attached you will find the resolution passed by the Board of Governors of the Colorado State University System on December 5, 2007, authorizing the CSU System Office, Colorado State University, and Colorado State University-Pueblo to opt out of the State Purchasing Code and Rules pursuant to C.R.S. §24-101-105(1) and 24-101-301(10) (as amended, 2007 Cum. Supp.). Attached as well are the rules as currently adopted for the System Office and CSU. Please note that CSU's Rules do not cover construction bidding, as set forth in C.R.S. §§ 24-91-101 – 24-93-108, as these sections are not covered under the opt-out statute. In addition, CSU will continue to utilize the state's BIDS system as its electronic notification system, as John and I have previously discussed.

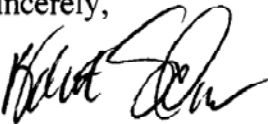
Page 2
January 18, 2008

The two Universities and the System Office, acting under the authority granted by the Board, have made separate administrative decisions with respect to implementing the opt-out procedures for their respective campuses. CSU has elected to opt out effective as of January 1, 2008; the System Office's opt-out became effective on December 5, the date of the Board's resolution. CSU-Pueblo has elected to continue operating as it has under the State Purchasing Code and Rules for an indefinite period of time, until it has more fully studied the matter and developed an implementation plan. My understanding is that CSU-Pueblo anticipates that it will not exercise its opt-out authority until sometime during FY09, but this may be subject to change. I will be sure to update you both promptly if there are changes to that plan. If you have any questions concerning CSU-Pueblo's decision, please contact Joanne Ballard, Vice President for Finance and Administration, at 719-549-2317, or feel free to contact me.

Finally, on behalf of CSUS, CSU and CSU-Pueblo, I wish to express my gratitude for the continuing cooperation, support and assistance of the State Purchasing and State Controller's offices, and in particular, to each of you. We look forward to continuing to enjoy a close working relationship with you and your offices. If there is any way that I can be of service to you, please do not hesitate to ask.

If you have any questions or concerns regarding the above, please contact me at your convenience.

Sincerely,



Robert Schur
Associate Legal Counsel, CSUS

cc: Joanne Ballard
Loretta Martinez
Rich Schweigert

Enclosure as referenced above.

Board of Governors of the Colorado State University System
Fiscal Rules



BOARD OF GOVERNORS *of the*
COLORADO STATE UNIVERSITY SYSTEM

410 Seventeenth Street, Suite 2440 • Denver, Colorado 80202
Phone (303) 534-6290 • FAX (303) 534-6298 • www.csusystem.edu

January 17, 2008

To Whom It May Concern:

This is to certify that the Board of Governors of the Colorado State University System approved the Action Item attached hereto entitled Approval to Opt-Out of State Purchasing Requirement at a regular meeting on December 5, 2007. The attached Action Item remains in full force and effect and has not been amended or rescinded.

Sincerely,

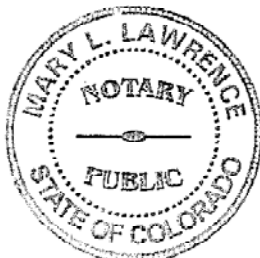
A handwritten signature in cursive script, appearing to read "Ed Haselden".

Ed Haselden, Secretary
Board of Governors of the Colorado State University System

STATE OF Colorado State
COUNTY OF DENVER

The foregoing was acknowledged before me this 17th day of January, 2008, by Ed Haselden as Secretary of the Board of Governors of the Colorado State University System, a body corporate and created by Colorado Statute.

Witness my hand and official seal.

A handwritten signature in cursive script, appearing to read "Mary L. Lawrence".

Mary L. Lawrence
Notary Public

Board of Governors of the
Colorado State University System
December 4, 2007
Action Item

_see above
Approved

MATTERS FOR ACTION

Approval to Opt-Out of State Purchasing Requirements

RECOMMENDED ACTION

MOVED, that the Board of Governors approves Colorado State University and the Colorado State University System Office to opt-out of the State Purchasing Code and Rules, effective December 2007, and directs staff to develop purchasing rules and procedures that addresses the needs of each entity. Further, that this resolution be sent as notice to appropriate state agencies that the Board has hereby taken such action effective immediately.

EXPLANATION

Presented by Rich Schweigert, Chief Financial Officer

During the 2004 legislative session, the General Assembly enacted an amendment to section 24-101-105, adding language permitting the governing board of each institution of higher education to elect to be exempt from the provisions of the Procurement Code and to enter into contracts independent of the Code. To date, The Board of Regents for the University of Colorado, Ft. Lewis College, Mesa State College, and the Department of Higher Education (CCHE) have opted out of the Code. Opting out of the State Code will allow more flexibility for CSU's Purchasing Department. This flexibility will enable CSU to enter into buying cooperatives with other institutions; allow for more control over dollar thresholds and methods of procurement; and simplify implementation of the new e-procurement system.

State of Colorado Fiscal Rules and certain state statutes will still govern several aspects of purchasing and contracting. In particular, bidding and procurement for construction and construction related activities will not be included in this opt out, as these activities are governed by both the Procurement Code and the companion code, Construction

Contracts With Public Entities Code, which together comprise a cohesive statutory scheme.

CSU Purchasing has worked with the Office of General Counsel, the Office of Sponsored Programs, and department of Business & Financial Services to draft the proposed purchasing guidelines for CSU (attached).

CSU-Pueblo has determined that it would not gain a significant advantage by opting out of the State code at this time, considering its volume of transactions and resources.



BOARD OF GOVERNORS *of the*
COLORADO STATE UNIVERSITY SYSTEM

410 Seventeenth Street, Suite 2440 • Denver, Colorado 80202
Phone (303) 534-6290 • FAX (303) 534-6298 • www.csusystem.edu

Mr. David McDermott

State Controller

Department of Personnel and Administration

633 17th Street, Suite 1600

Denver, CO 80202

Dear Mr. McDermott:

Attached you will find a Action Item passed by the Board of Governors of the Colorado State University System (CSU System) on August 11, 2010 electing to exempt the Colorado State University System from state fiscal rules as promulgated by the State Controller pursuant to 24-30-202(13) C.R.S. . The resolution specifically exempts the CSU System from 24-30-202 subsections (1), (5)(b), (13), (20.1), (22), and 26 of the Colorado Revised Statutes in accordance with law.

Per statute, the Board of Governors of the Colorado State University System has also declared that there are adequate safeguards in place for the proper expenditure of the moneys of the CSU System as required by law. The board has accomplished this by initially adopting the state fiscal rules as their own. The Board of Governors of the Colorado State University System recognizes that other sections of statute are still applicable to the operation of the CSU System and will follow those as required.

On behalf of the Board of Governors we wish to extend our heartfelt thanks for the support, advice, and guidance you have provided the CSU System. Your office has been a true asset and we look forward to a continued close relationship with your office and you as we move forward.

Sincerely,

Richard W. Schweigert

Chief Financial Officer

Board of Governors of the Colorado State University System
Fiscal Rules

State Controller Acknowledgement

Received Sunday, October 17, 2010 7:37 a.m.

McDermott, David [David.McDermott@state.co.us]

Mr. Schweigert,

Thank you for the notification. I am pleased that Colorado State University has adopted the State Fiscal Rules as a starting point to ensure adequate ongoing internal controls. As you and your Board evaluate proposed changes to those Rules, I encourage you to consider the time-tested protection those rules have provided to State agencies and institutions against the perception or occurrence of inappropriate financial transactions.

As noted in your cover letter, other sections of statute are still applicable to the operations of the CSU System as they relate to the Office of the State Controller. We are currently working with the Attorney General's Office to determine how those provisions interact with SB10-003.

It is my understanding that CSU is in the process of determining whether to continue participation in the State Procurement Card Program and is considering in that analysis the effect of the related central service agency funding requirements in HB10-1181. While we encourage your continued participation in the program, it is important the Office of the State Controller and the Department of Personnel & Administration Budget Office are informed of your decisions in this matter with adequate time to accomplish any budget adjustments needed for Fiscal Year 2010-11.

David J. McDermott, CPA

Colorado State Controller

Department of Personnel & Administration

633 17th Street Suite 1500

Denver, CO 80202

Phone 303-866-2739

FAX 303-866-4233

Email david.mcdermott@state.co.us

Good government starts here!

Board of Governors of the Colorado State University System
Fiscal Rules

****NOTICE:** This electronic mail transmission may contain confidential or legally privileged information, intended only for the person(s) named. Any use, distribution, copying, or disclosure by another person without the express permission of the sender is strictly prohibited.

From: Schweigert, Richard [mailto:Rich.Schweigert@ColoState.EDU]

Sent: Monday, October 11, 2010 1:05 PM

To: McDermott, David

Cc: Jaros, Bob; Schur, Robert; Wilds, harvey; Gus.Skinner@csuglobal.org; Diane Lindner; Ballard, Joanne G.; Johnson, Lynn

Subject: CSU System Exemption

Dear Mr. McDermott

Attached is a notification letter letting you know that the Board of Governors of the Colorado State University System has opted out of the state fiscal rules. If you have questions please feel free to contact me.

Richard Schweigert

Chief Financial Officer

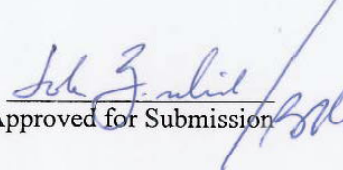
Colorado State University System

(303) 376-2622

rws@colostate.edu

Board of Governors of the Colorado State University System
Fiscal Rules

Board of Governors of the
Colorado State University System
Meeting Date: August 11, 2010
Action Item


Approved for Submission

Stretch Goal or Strategic Initiative: Colorado State University System Goal Two: Financial Sustainability.

MATTERS FOR ACTION:

Fiscal Rules: Adoption of the Colorado State University System Fiscal Procedures and Determination of Fiscal Adequacy of said Procedures and Exempting the Colorado State University System and Institutions from Various Statutory Requirements.

RECOMMENDED ACTION:

MOVED, that the Board of Governors of the Colorado State University System hereby adopts the State of Colorado Fiscal Rules as their own and determines that any reference in such rules to the State of Colorado, its agencies, departments or political subdivisions, shall be changed to the Board of Governors of the Colorado State University System; and references to the State Controller shall be changed to controller for each institution (Colorado State University, Colorado State University-Pueblo, and Colorado State University Global Campus) or to the Chief Financial Officer for the CSU System Office, respectively. And that any other necessary conforming changes or adjustments are authorized upon approval by the respective institution's President or, for the CSU System Office, by its Chief Financial Officer.

FURTHER, the Board deems that the fiscal rules hereby adopted provide adequate safeguards for the proper expenditure of the moneys of the CSU System and its respective institutions.

FURTHER, the Board of Governors hereby delegates to the Chancellor, Presidents, and Chief Financial Officer and Controller of the Colorado State University System and its respective institutions authority to revise such rules, as appropriate, in the future to further enhance and safeguard the financial integrity of operations throughout the Colorado State University System. If the Chancellor, institutional President, or Chief Financial Officer of the CSU System determine that specific provisions within the rules hereby adopted are found to be unnecessary or inapplicable to CSU System operations, such rules or portions of rules may be eliminated.

FURTHER, that the Board of Governors of the Colorado State University System elects to exempt the Colorado State University System and its respective institutions from the fiscal rules

Fiscal Rules
Page 1 of 3

Board of Governors of the
Colorado State University System
Meeting Date: August 11, 2010
Action Item

promulgated by the State Controller pursuant to 24-30-202 C.R.S., subsection (13), including any procedures or forms required by law to be promulgated by the State Controller, including any review or approval the State Controller may require.

FURTHER, The Board of Governors declares that the Colorado State University System and its respective institutions shall not be required to comply with rules promulgated pursuant to 24-30-202 subsections (1), (5)(b), (13), (20.1), (22), or (26) all of which is done in accordance with section 5 (2) of Article VIII of the State Constitution and in conformance with Senate Bill 10-003 concerning Higher Education Flexibility to Improve the Financial Position of State Institutions of Higher Education.

FURTHER, that the Chancellor and Presidents may delegate the powers hereby granted to others within the organization, deemed to have appropriate and adequate training and experience in fiscal rules and procedures.

FURTHER, that the Board of Governors will receive quarterly updates on additions, deletions, and changes to the rules; and an annual audit report on the adequacy of updates and improvements made to the fiscal rules hereby adopted.

EXPLANATION:

Presented by Rich Schweigert, Chief Financial Officer of the Colorado State University System and Michael D. Nosler, General Counsel.

On June 9th, 2010, the Governor signed into law SB 10-003 which, among other things, allowed institutions of higher education to opt out of the state's fiscal rules and operate under institutional fiscal procedures that better meet the needs of a University System. This flexibility was authorized in recognition of the extraordinary reduction in state support for institutions of higher education, as well as the increasingly divergent operating needs of universities and colleges relative to other Executive Branch agencies.

Adoption of Board specific fiscal procedures will result in immediate efficiency gains through the elimination of the time and effort required to attain State Controller approval for both routine and unique university transactions. It will also result in staff time and savings by the gradual elimination of duplicative and unnecessary steps in approving expenditures and processing payments and contracts across the CSU System.

Each campus and the CSU System further have their own set of fiscal procedures, rules, and polices that enhance the State of Colorado Fiscal Rules and which will stay in place

Board of Governors of the
Colorado State University System
Meeting Date: August 11, 2010
Action Item

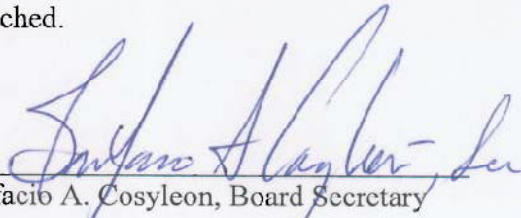
to further ensure adequate safeguards concerning Board of Governor funds across the
CSU System.

The State of Colorado Fiscal Rules are attached.

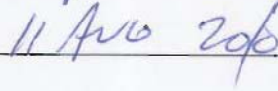


Approved

Denied



Bonifacio A. Cosyleon, Board Secretary



Date

Board of Governors of the
Colorado State University System
Meeting Date: August 11, 2010
Action Item


Approved for Submission

Stretch Goal or Strategic Initiative: Colorado State University System Goal Two: Financial Sustainability.

MATTERS FOR ACTION:

Establishment of Procurement Card Program

RECOMMENDED ACTION:

WHEREAS, C.R.S. §24-101-105(1)(b) provides that the governing board of an institution of higher education may, by formal action of the board, elect to be exempt from the provisions of the state procurement code (Title 24, Articles 101-112); and

WHEREAS, C.R.S. §24-101-301(10)(a) further provides that the governing board of an institution of higher education may, by formal action of the board, elect to be excluded from the meaning of “governmental body” as defined and used throughout the state procurement code; and

WHEREAS, on December 5, 2007, the Board of Governors of the Colorado State University System enacted a resolution approving and allowing Colorado State University, Colorado State University-Pueblo, and the Colorado State University System Office to opt out of the state procurement code and rules and for each such institution to create and implement its own procurement rules in accordance with the aforesaid sections; and

WHEREAS, on August 12, 2009, the board approved the Revised Colorado State University Procurement Rules, and delegated authority to the President of Colorado State University to authorize further amendments and modifications to said Rules on behalf of the Board; and

WHEREAS, the Colorado General Assembly enacted HB10-1181, which became effective when signed by the Governor on June 7, 2010, which bill includes provisions authorizing governmental bodies, including institutions of higher education, that are not subject to the state procurement code to be excluded from the state’s procurement card (“PCARD”) program and to establish PCARD programs independently of the state’s program, provided that, institutions that earn revenues through a PCARD program are required to transfer monies to the Department of Higher Education to pay indirect cost assessments for reimbursement to the federal government for its share of any such revenues; and

Board of Governors of the Colorado State University System
Fiscal Rules

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Meeting Date: August 11, 2010
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WHEREAS, the Board of Governors of the Colorado State University System desires to maximize the opportunities available to its institutions and administrative units to earn revenues from a PCARD program.

RECOMMENDED ACTION:

MOVED, that the Board of Governors approves and authorizes Colorado State University, Colorado State University-Pueblo, Colorado State University Global Campus and the Colorado State University System Office, and each of them, to adopt a procurement card program that is reasonably calculated to maximize revenue earnings, through rebates, prompt-pay discounts, and other incentives and rewards, individually or in cooperation with each other, with other agencies, institutions, governmental and/or non-profit entities (including, but not limited to, the state of Colorado's state purchasing office's PCARD program), buying cooperatives, or organizations; and further, delegates authority to the President of Colorado State University, the President of Colorado State University-Pueblo, the President of Colorado State University Global Campus and the Chief Financial Officer of the CSU System, each to approve and implement such PCARD programs for their respective institutions.

FURTHER, that the Board hereby elects and declares that the Board, and each of the respective institutions and the System office, are and shall be excluded from the meaning of the term "governmental body" as defined in C.R.S. §24-101-301(10) and 24-102-207(1).

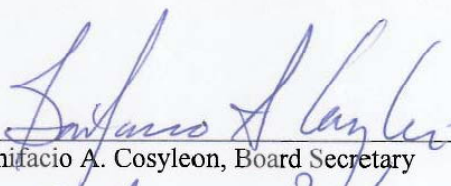
EXPLANATION:

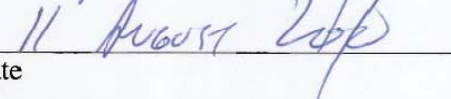
Presented by Rich Schweigert, Chief Financial Officer of the Colorado State University System and Michael D. Nosler, General Counsel. (see above).



Approved

Denied



Bonifacio A. Cosyleon, Board Secretary


Date