

SECTION IV: DISBURSEMENT

FISCAL RULE NUMBER

- 4-1 Propriety of Expenditures
- 4-2 *Commitment Vouchers*
- 4-3 Receiving Reports
- 4-4 Purchase Discounts
- 4-5 Interest Payment on *Delinquent Payables*
- 4-6 *Interagency Purchases* and Payments
- 4-7 *Official Functions* and *Training Functions*
- 4-8 Miscellaneous Compensation and Other *Benefits* (Perquisites)
- 4-9 Moving and Relocation

Rule 4-1 PROPRIETY OF EXPENDITURES

All expenditures by the College shall meet the following standards of propriety:

- Expenditures are for official *College business* purposes only.
- Expenditures are reasonable and necessary under the circumstances.

Rule 4-2 COMMITMENT VOUCHERS

1. Use of *Commitment Vouchers*
2. Dollar Limits and Requirements
3. *College Purchase Orders*
4. *College Contracts*
5. *After-the-Fact Purchases*
6. *Advance Payments*
7. Emergencies
8. *Vendor Agreements*
9. *Purchase Order Terms and Conditions*

1. USE OF COMMITMENT VOUCHERS

The College shall not disburse funds unless the disbursement is supported by a *Commitment Voucher* (*Purchase Order(PO)* or *Contract*) or *Small Purchase Documentation* (Request for Payment). With respect to proposed expenditures, the College shall ensure that the *Commitment Voucher*:

- Expenditure is authorized by the appropriate departmental authorities and required approvals have been received;
- Expenditure is reasonable and necessary;
- Prices or rates are fair and reasonable;
- Expenditure amount is within the available unencumbered balance;
- Adequately defines the requirements, respective performance obligations of the parties, and pricing;
- Terms and conditions represent a commercially reasonable allocation of risks between the parties;
- Complies with applicable statutes, executive orders, College Rules and policies.

2. DOLLAR LIMITS AND REQUIREMENTS

TYPE OF AGREEMENT	*DOLLAR LIMIT	REQUIREMENTS
Goods	\$5,000 and less	Procurement Card, <i>Small Purchase Documentation</i> (Request for Payment) or any <i>Commitment Voucher</i>
	Above \$5,000	PO or <i>College Contract</i> Create <i>encumbrance</i>
Services	\$5,000 and less	<i>Small Purchase Documentation</i> (Request for Payment) or any <i>Commitment Voucher</i>
	Above \$5,000 but less than or equal to \$100,000	PO or <i>College Contract</i> Create <i>encumbrance</i>
	Above \$100,000	<i>College Contract</i> Create <i>encumbrance</i>
Capital Construction/Controlled Maintenance	NA	See Fiscal Rule 6-1 (<i>Capital Construction Administration</i>) and Fiscal Rule Manual
Professional Services under CRS §24-30-1401, et seq., including architectural, engineering, land surveying, industrial hygienist, and landscape architect services	Any dollar amount	<i>College Contract</i> Create <i>encumbrance</i>
Real Property lease or License of land, buildings, or a portion thereof for term of more than 30 days	Any dollar amount	<i>College Contract</i> Create <i>encumbrance</i>

***Total value of the commitment; for multiple-year commitments, the total value is equal to the sum of the commitments for all contract years.**

2.1 Protecting the College’s Interests. *College Contracts* shall be used in situations in addition to those described in this Rule if other *Commitment Vouchers* do not adequately protect the College’s interests. Refer questions regarding the proper form of *Commitment Voucher* to the Chief Procurement Officer.

2.2 Exempt Disbursements. A *Commitment Voucher* is not required for the following types of disbursements regardless of the amount of funds disbursed:

- Calculated payments required under a program within the College (e.g., formula distributions, other distributions required by regulatory or statutory formulas);
- Copier rental agreements when the payment is based on cost per copy;
- Conference registrations;
- Financial aid or tuition assistance programs;
- Insurance purchases;
- Internal services routinely provided by the College (e.g., internal printing or copying services, or legal services provided by College Counsel);
- Intra-College purchases;
- Moving expenses reimbursed to College employees (Fiscal Rule 4-9);
- Payroll and related disbursements (withholding, authorized *Benefits*, etc.);

- Postal and other delivery charges, including messenger fees;
- College program payments to or on behalf of individuals qualified for the program's *Benefits* (e.g., scholarships);
- Subscriptions for journals, informational publications or similar materials (electronic or hard copy);
- Utility hook ups and line extensions performed by a utility company;
- Utility services, including by way of example, telephone services (both land lines and cell phones), electrical, water, natural gas, sewer, cable, internet, trash, recycling or similar services;
- All athletic fees associated with conference affiliation;
- All bond issuance costs, and;
- Other disbursements approved in writing by the Vice President for Finance and Administration.

3. COLLEGE PURCHASE ORDERS

3.1 Standard Provisions. All *Purchase Orders* issued by the College shall include the College's standard *Purchase Order* Terms and Conditions, which may be found in Appendix II of this document.

3.2 Interagency Purchase Orders. In situations where the College is issuing a *Purchase Order* to another *Agency* or *Institution of Higher Education*, the College may change or delete any standard provision.

3.3 Revision of Standard Terms and Conditions. The College, when issuing a *Purchase Order* to a *Party* other than another *Agency* or *Institution of Higher Education*, shall not change or delete the standard *Purchase Order* provisions unless it obtains prior written approval of the Chief Procurement Officer or College Controller, except that:

- No changes to the provisions governing Changes, Vendor Offset, Assignment and Successor, Independent Contractor, and Funds Availability may be made without the prior approval of the Chief Procurement Officer or College controller; and
- No changes to the choice of Law, Public Contracts for Services, or Public contracts with Natural Persons provisions may be made without legal review and written approval by the Chief Procurement Officer or the College Controller.

3.4 Services involving transfer of confidential information. All *Purchase Orders* issued by the College that involve the transfer of or access to confidential electronic information shall comply with applicable College policies related to confidential information and Information Technology security and with applicable laws and regulations related to confidential information.

4. COLLEGE CONTRACTS

The College shall use a *College Contract* as the *Commitment Voucher* for all purchases or leases of goods and services, as required under these Fiscal Rules. *College Contracts* shall comply with requirements of Fiscal Rule 5-1 and this Rule.

5. AFTER-THE-FACT PURCHASES

An *After-the-Fact Purchase* occurs when liabilities are incurred or payments are made on the College's behalf without prior approval of a *College Purchase Order* or contract when a *Purchase Order* or contract is required.

5.1 Payment Prohibition. The College shall not make payments to a vendor when an *After-the-Fact Purchase* has occurred, unless the violation has been ratified by the Vice President for Finance and Administration.

5.2 Personal Liability. Under CRS §24-30-202(3) any person(s) who incurs, orders or votes for an obligation or makes a payment which creates an *After-the-Fact Purchase* may be held personally liable for

such obligation, unless the *After-the-Fact Purchase* is ratified by the Vice President for Finance and Administration.

5.3 Internal Controls. The College shall maintain an adequate system of internal controls to identify *After-the-Fact Purchases*, to prevent or minimize such violations, and to implement the provisions of this section.

5.4 Ratification. The Vice President for Finance and Administration, in his or her sole discretion, may ratify the expenditure or obligation creating an *After-the-Fact Purchase*, if he or she finds all of the following:

- The prices or rates are fair and reasonable;
- The amount of the expenditure is within the unencumbered balance;
- The College department provides a written explanation in accordance with the applicable Purchasing Rule;
- The parties did not act in bad faith or in a fraudulent manner; and
- The violation is not repeated or part of a consistent pattern of *After-the-Fact Purchases*.

6. ADVANCE PAYMENTS

An *Advance Payment* is a payment made for goods or services prior to the receipt thereof.

6.1 General Prohibition. *College Contracts* and other *Commitment Vouchers* shall not provide for *Advance Payment* for goods supplied and/or services performed or for any other contractual obligation, except as permitted herein.

6.2 Waiver Process. The College Controller may waive this requirement upon finding that *Advance Payment* is an established industry standard and/or provides a benefit to the College at least equal to the cost and risk of the *Advance Payment*.

6.3 Exceptions - Prior Approval Not Required. *Advance Payments* for a period of one year or less are permitted without prior approval of the College Controller for the following:

- Advertising services and related goods;
- Charter *Transportation*;
- Construction permits;
- Federal grants awarded by the College to sub-grantees (in compliance with Federal requirements);
- Overnight travel accommodations such as hotels, motels, etc.;
- Information Technology service agreements (including internet access, systems and database access),
- Insurance premiums;
- *Interagency Agreements*;
- *Licenses*, including *Licenses* for software;
- Maintenance of office equipment or information technology (software and hardware), and other maintenance agreements;
- Membership dues;
- *Personal Property Lease Agreements* or rentals;
- Post Office Box rentals;
- Professional services provided by expert witnesses hired for litigation purposes, and mediators;
- Real property leases, where the College is a tenant, and perpetual easements, if the entire interest is purchased and all attendant rights are transferred upon payment;
- Sponsored projects;

- Subscriptions for journals, informational publications or similar materials (electronic or hard copy), which do not include services;
- Tuition, registration, and fees charged for trainings, classes, conferences, and seminars;
- Utility hook ups and line extensions performed by a utility company; and
- Water rights purchases or temporary leases.

6.4 Exceptions for *Advance Payments*. *Advance Payments* not covered in §6.3, or any *Advance Payment* for a period of one or more years, if the College Controller determines, and documents in the contract file, that the *Advance Payment* provides a benefit to the College at least equal to the cost and risk of the payment.

7. EMERGENCIES

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 Chief Procurement Officer, where all of the following conditions are met:

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

7.2 The procurement is authorized by the Chief Procurement Officer prior to making a commitment for a purchase which exceeds \$5,000;

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

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

7.5 The department notifies the Chief Procurement Officer in writing, as soon as possible, of the circumstances, goods and services purchased, and the dollar amount of the commitment.

8. VENDOR AGREEMENTS

A *Vendor Agreement* is any form of agreement provided by a vendor, including an on-line agreement, containing contractual provisions relating to the goods and/or services to be provided by such vendor.

8.1 Prohibited Use. A *Vendor Agreement* shall not be used in lieu of a College *Purchase Order* or *Contract*, where one is required, absent the prior written approval of the Chief Procurement Officer. A *Vendor Agreement* is not required where a College *Purchase Order* or *Contract* is not required, except as provided in this Rule.

8.2 Permitted Use. The Chief Procurement Officer may authorize the use of *Vendor Agreements* up to \$5,000, if a College *Contract* or *Purchase Order* is not required.

9. PURCHASE ORDER TERMS AND CONDITIONS. See Appendix II.

Rule 4-3 RECEIVING REPORTS

Receiving reports, or other sufficient documentation, shall be prepared for all goods and services received, showing actual quantities, any unsatisfactory condition, and compliance with specifications, prior to processing a voucher for payment.

Exceptions to Rule:

- A receiving report need not be prepared for personal service expenditures.
- When an adequate system of internal accounting and administrative controls exists to provide sufficient verification that goods or services were received, the College may not require a certified receiving report.

Rule 4-4 PURCHASE DISCOUNTS

Payments shall be processed in a timely manner and made within the allowable discount period to ensure the College takes advantage of purchase discounts.

Rule 4-5 INTEREST PAYMENT ON DELINQUENT PAYABLES

The College shall process invoices and other notices of liability as efficiently as possible in order to ensure payment in accordance with contractual or invoice terms, and in the absence of such terms, as soon as possible, or in accordance with statutory provisions. A *Delinquent Payable* shall be assessed interest at the applicable statutory rate. All written contracts and *Purchase Orders* shall provide for a reasonable time of payment considering the nature of the goods or services provided and review and approval required for payment.

Rule 4-6 INTERAGENCY PURCHASES AND PAYMENTS

The College shall make payment for purchases of goods and services from another state *Agency* or *Institution of Higher Education* within 30 days after receipt of a valid invoice.

DISPUTES ARISING FROM INTERAGENCY PURCHASES

If a dispute arises as a result of an Interagency Purchase, the following steps will be used to resolve the dispute:

- The College, if disputing the charge shall notify the state *Agency* or *Institution of Higher Education* providing the goods or services and attempt to resolve the dispute. If necessary, the chief executive officers, or designated authorities of the *Agencies* involved shall assist in the resolution.
- If the College and the state *Agencies* and/or *Institutions of Higher Education* involved cannot reach a satisfactory resolution, the College, if disputing the charge may, within 30 days of the date of the last meeting held to resolve the dispute, petition the State Controller to resolve the dispute.
- If the State Controller is petitioned to resolve the dispute, the decision of the State Controller will be rendered within a reasonable time and be final and binding on all parties concerned.

Rule 4-7 OFFICIAL FUNCTIONS AND TRAINING FUNCTIONS

Official Functions and *Training Functions* shall be held to achieve program objectives and shall be limited to reasonable and actual *Costs*. The attendance of College employees at *Official Functions* shall be kept to a minimum and shall include only those individuals directly related to the purpose of the function. Expenditures shall be kept to a minimum as they have the potential of being perceived to be for personal benefit and an abuse of public funds. Expenditures incurred for *Official Functions* shall be approved by the appropriate Vice President or the College President.

**Rule 4-8 MISCELLANEOUS COMPENSATION AND OTHER *BENEFITS*
(PERQUISITES)**

1. Honorariums
2. Events Sponsored by the College
3. Meals
4. Food/Beverages/Flowers Purchased for Benefit of Employees
5. Instructional Courses and Job-Related Training
6. Temporary Housing Provided to Visitors and Guests
7. Uniforms and Maintenance of Uniforms
8. Exceptions to Rule

An employee of the College shall not receive any type of *Benefit* by virtue of their position unless such *Benefit* is provided under this Rule. An employee shall not have the authority to grant any perquisites, nor shall any employee receive any perquisite except as provided by state statute or under this Rule. Monetary allowances shall not be given to employees in lieu of *Benefits*, except as provided by statute or approved by the College Controller. Where College policies and state statutes provide allowances for maintenance and ordinary expenses incurred in the performance of duty, it is the responsibility of the College Controller to establish specific expenses that are covered by the allowance so that the same expenses are not also directly reimbursed.

1. HONORARIUMS

College officials and employees may be asked to address an audience for which they receive an honorarium. If such speaking engagements occur outside normal working hours, or their normal work load, or while on annual leave, and there is no cost to the College for travel expenses, the official or employee may retain the honorarium. However, if the engagement occurs during normal working hours, or within their normal workload, as any other duty, the honorarium is to be turned over to the College. Any travel expenses related to the engagement would then be valid expenses for reimbursement by the College.

2. EVENTS SPONSORED BY THE COLLEGE

A reasonable discount may be offered by the College to officials and employees to improve attendance or participation in College-sponsored events. Examples included discounts on admission to athletic games and cultural, educational, recreational, or other events.

Such discounts shall generally be offered on a first-come, first-served basis, except that the College may reserve a specified and reasonable number of admissions to particular events to be distributed on a targeted basis for the purpose of public relations or alumni relations, or for the purpose of student or employee recruitment. The Chief Executive Officer of the College shall approve in writing all plans for discounted admissions.

3. MEALS

Meals prepared at College dining facilities are primarily for the benefit of the students housed at these facilities. However, meals may be provided to College employees working at these facilities and guests visiting these facilities.

4. FOOD/BEVERAGES/FLOWERS PURCHASED FOR BENEFIT OF EMPLOYEE(S)

Hospitality expenses are allowable in accordance with applicable College policies. See Hospitality Policy.

5. INSTRUCTIONAL COURSES AND JOB-RELATED TRAINING

Job related and career enhancement courses may be provided in accordance with applicable College policies or as authorized by a relevant department head to College employees at no cost or at a reduced cost as authorized by the College.

6. TEMPORARY HOUSING PROVIDED TO VISITORS AND GUESTS

Where space is available, temporary housing may be provided to visitors and guests of the College in accordance with applicable College policy, if any. The charge for such accommodations shall be set at an amount which will at least recover all *Direct* and *Indirect Costs* and be reasonable in comparison to the charge for similar housing, if such housing is available.

7. UNIFORMS AND MAINTENANCE OF UNIFORMS

Uniforms required to be worn by College employees and the necessary maintenance of these uniforms may be provided to the employee by the College at no charge, or at a reduced charge, or through a uniform allowance.

8. EXCEPTIONS TO RULE

Any voluntary separation incentive plans established for College employees shall be governed by applicable state statute.

Rule 4-9 MOVING AND RELOCATION

Moving and relocation expenses for employees exempt from the State Personnel System are allowable in accordance with applicable College policies. Moving and relocation expenses for employees in the State Personnel System are only allowable as expressly provided in the State Personnel Rules.