

# California State University, Chico

## PROCEDURE

### Procurement & Contract Services

Campus-wide Procedure

Internal Procedure Only

## Reimbursements to Campus Employees

**References:** none

**Forms:** *Invoice for Employee Reimbursement Between \$50-\$1000*  
*Cash Purchase Authorization Form*  
*Invoice for Employee Reimbursement Under \$50*  
*Off-Campus Use of State Property Form*  
*Authorization for Cellular Allowance*

**Effective Date:** 7/01/09 (supersedes 5/1/09 procedure)

**Exhibits:** none

### **Background:**

University employees may need to purchase goods for University business purposes with personal funds for expediency or logistical reasons.

### **CSU, Chico Practice:**

It is the practice of CSU, Chico to secure goods and services through normal procurement methods whenever possible utilizing the standard purchase/service order process, procurement card, or office supply ordering system. Reimbursements to University employees, however, will be allowed when necessary up to \$1000, exclusive of tax, for legitimate and documented expenses made personally by the employee for University business use, and approved by the employee's administrative head. Due to additional workload associated with processing reimbursement payments, the desire for employees not to utilize their own funds for purchases and await reimbursement, and the potential risk of the reimbursement request being denied, the preferred method for securing goods is through normal procurement methods.

### **Inappropriate Reimbursements(not an inclusive list):**

Reimbursements to employees for the following will not be allowed:

- A. Services of any kind (performed by individuals or businesses)  
Services may require 1099 reporting and/or vendor/contractor documentation of insurance coverage prior to performance of the work.
- B. Purchases of items covered under existing Executive Memorandum (EM) policies issued by the University President (e.g., food expense policy, vehicle policy)  
Procedures contained within EM policy documents (if any) must be followed.
- C. Travel expenses  
Travel expenses are to be reimbursed through the travel claim process.
- D. Computers, networked and wireless printers & network equipment (e.g., hubs, routers, etc.)  
Campus standards are established for such purchases, and State/CSU pricing is generally available.
- E. Reimbursements that are split to avoid the \$1000 maximum threshold for employee reimbursements
- F. Reimbursements for purchases that normally are not allowed under regular procurement transaction processing (party supplies, greeting cards, office appliances, gifts, clothing items, etc.)
- G. Reimbursements from a prior fiscal year

### **Exceptions:**

Reimbursement requests over the \$1000 threshold will only be allowed if **pre-approval** by the Director of Procurement & Contract Services, or designee, has been received. Certain requests over \$1000 may also require the approval of the Vice President for the specific area. Unique circumstances must exist for such a request to be approved. Requests deviating from these procedures will generally be denied, with approval only granted if appropriate written justification is presented that supports approval.

If a reimbursement request is denied, the employee will be personally liable for the expense. The employee will have the option of returning the item(s), or seeking approval for reimbursement from non-state/non-state controlled funding sources if appropriate.

### **Taxes:**

If the vendor from whom a purchase is made does not collect California State sales tax, current sales tax will be applied to the purchase price and paid as use tax. The use tax will be paid directly by the University to the State Board of Equalization and will be charged to the department's chartfields utilized for the reimbursement.

### **Ownership of Goods:**

Upon payment of the reimbursement request, the goods become the property of the University\*. Even if personal funds or auxiliary funds are contributed toward the purchase, the item(s) remains the property of the University. As University property, some items may require tagging/bar-coding, and recording on the University property data base. Departments are responsible for making arrangements with the Property Management Office for such items as defined in the Policies and Procedures for Management of University Property located at <http://www.csuchico.edu/pm/>.

\* **(Exception: goods purchased under Wireless Device Policy)**

### **Location of Goods:**

If any of the items purchased are for use at a non-University location, an "Off-Campus Use of State Property" form is to be completed, approved by the department head, and submitted to the Property Management Office\*. This form is located at <http://www.csuchico.edu/pm/>.

\* **(Exception: goods purchased under Wireless Device Policy)**

### **Wireless Devices:**

If submitting a CMS order for reimbursement for a wireless device per the Wireless Device Policy, a copy of the approved "Authorization for Cellular Allowance" must accompany the order. Information regarding reimbursement amounts, schedules, and tax implications are available at:

<http://www.csuchico.edu/fin/guidelines/wirelessdevices.php>

### **Procedures:**

A. Reimbursements \$50 or under, exclusive of sales tax - maximum allowed is \$50 plus sales tax per day per vendor - Utilize Cash Purchase Authorization-forms and instructions available at <http://www.csuchico.edu/ao/ap/forms>.

B. Reimbursements \$50 - \$1000, exclusive of sales tax

1. Campus department enters order into CMS (PeopleSoft) system to cover the requested reimbursement. The individual being reimbursed is considered the vendor. Include the following in the description area of the order: "Reimbursement for . . . [identify what was purchased and the purpose of the purchase] "
2. Campus department to submit the following to the Procurement & Contract Services' Office (Kendall Hall Room 206, zip 244):
  - "Invoice for Employee Reimbursement Between \$50-\$1000" (PeopleSoft order number to be noted on invoice). The invoice must be signed by the person requesting reimbursement and by the department administrative head. A department ASA, for example, may not approve reimbursement for faculty members, and the department chair must have a higher authority approve the reimbursement. The invoice is available at <http://www.csuchico.edu/purc/forms/invoices.shtml>
  - Original itemized receipts; note PeopleSoft order number on each receipt

#### *Itemized Receipts*

Receipts that contain the following information:

- \* Name and address of vendor from whom purchase was made
- \* Date of purchase
- \* Description of item(s) purchased
- \* Quantity and unit price of each item
- \* Sales tax
- \* Total cost
- \* Payment method (cash, credit card, personal check)