



Financial Policies & Procedures

Revised as of January 2018



**COLORADO STATE UNIVERSITY
EXTENSION**

*Dedicated to serving
current and future
needs of Coloradans by
providing education
information and
programs that
safeguard health,
increase livelihood, and
enhance well-being.*

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AGENCY FUNDS: (99 ACCOUNTS AT CSU)

Definition

Funds received from an external source for a specific purpose. These funds are held by CSU as a custodian. Ownership of the funds is retained by the agency. For an agency relationship to exist, the deposit must be received before expenditures are incurred. Expenditures are made at the direction of the agency. Unused funds must be returned to the agent or sponsor. **Expenditures must comply with all applicable CSU policies and regulations as well as restrictions from the agent.**

Any funds in CSU 99 or AGENCY accounts are considered the property of the agency that deposited the funds and CSU is a custodian. These funds cannot be swept (retained or used) by the University.

- Each county has an established 99 account at CSU to charge and track personnel and other county-related expenses for their extension programs and services. **Most of these accounts are a mechanism for county appropriated expenses to be charged and then billed back to the county, i.e. essentially a pass-through account.**
- At the request of the County/Area Director, Regional Director or to facilitate ease of management, **a county can establish a non-appropriated account at CSU**, which would also be an agency account (99 account), and the funds will remain available from year-to-year specifically for the County's use. **All revenues and expenses for these on-campus non-appropriated accounts must follow CSU policies and procedures.**

ONLINE PURCHASING/PAYMENTS THROUGH EXTENSION E-STORE:

NEW

Credit card payments can be set-up and accepted for on-campus non-appropriated accounts through the newly established CSU Extension e-store. The e-store is designed to accommodate all CSU Extension counties, regions and state office activities in one store. Each county can have its own presence and manage its own products. All revenues and corresponding credit card charges, will be managed through the Extension Fiscal Office and deposited on a weekly, bi-weekly schedule (depending on volume), into each counties on-campus non-appropriated account.

This can include payment for 4-H registrations/enrollment. However, it is important to remember that registrations for all 4-H activities must still be done through 4-H Online.

Expenses can be identified by product and aligned to corresponding revenue and expense categories. All funds in campus based non-appropriated accounts 99/AGENCY accounts and as such belong to the county, and carryover from year to year (*see AGENCY FUNDS definition above*).

[For further information, or to begin using the Extension e-store for online purchasing for your particular needs, please contact the Fiscal Office.](#)

CONTRACTS

Please note that only authorized representatives at Colorado State University have the ability to enter into contracts on behalf of CSU for any reason. For any contract needs, please contact the CSU Extension Fiscal office, and/or work directly with your county fiscal office for any agreements that will be managed directly through your county.

All contracts paid via any CSU accounts (even if reimbursed by a county) MUST be submitted to the CSU Extension Fiscal Office for processing. **PLEASE DO NOT SIGN ANY CONTRACTS OR AGREEMENTS WITHOUT APPROVAL. DOING SO OPENS THE INDIVIDUAL WHO SIGNED THE CONTRACT TO PERSONAL LIABILITY.** Please see the [Contact List for who to send contract requests to, for both monetary \(contracts involving money either for payment or income\) and non-monetary on the Extension Employee Resources Page](#)

EVENT CONTRACTS & CONTRACTS UP TO \$5000:

Event contracts include contractual agreements with an organization for lodging, conference/meeting room rental, audio visual equipment rental and/or catering. The Assistant Director of Finance at CSU Extension has authorization to review and sign these agreements up to a total contract amount of \$5000.00. This includes authorization to sign non-monetary contractual agreements. All other event contracts must be submitted for review, negotiation and approval to the CSU Purchasing and/or Contracting Office.

CONTRACTS GREAT THAN \$5000 – PURCHASE ORDER REQUIRED

For all contracts that are over \$5000 in total cost, please follow the following process:

1. Look up your vendor to ensure that they are set-up to receive payment in the CSU Financial System. If not, the company will need to be set-up as a vendor prior to any payment being made. *Please see Vendor Set-up & Verification Section on page 24 for instructions.*
2. Create a requisition in Kualu for the total amount of your contract. As with a p-card or other payment request, complete the account line information indicating how the contract should be paid. Please note, multiple lines can be entered as long as the total amount equals the total contract amount for payment.
3. Attach a copy of the contract to the Kualu Document.
4. Submit in Kualu – This submission goes to the CSU Extension Fiscal Office for review, then will be routed to Purchasing for review, signatures and approval.

CSU Fiscal Office will:

- Review all documentation and forward the contract to either the Purchasing or Contracting Office for review and execution.
- Once executed, the purchasing office will upload the fully signed copy of the contract to the requisition and approve it. This generates the Purchase Order number for use when paying the invoices.
- Purchasing/Contracting office will send a copy of the PO to the vendor.

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- Kuali will send you, the initiator, an approval notice indicating the requisition was approved and referencing the PO number.
 - IF you would like a printed copy of the PO, you can print one from the Kuali shop catalog by following these instructions:
 1. From the main menu tab go to the shop catalogs link located under “Purchasing/Accounts Payable”
 2. Located at the top right side enter the PO# in the search box.
 3. Then when your document pops up click the revisions tab. From here you see HTML Attachment Email PO in blue . You will click here to open copy of PO. To get a copy of the signed contract. You will see attachment link on the right side. Click this link to open the attachment.
 - For additional information and other Purchase Requisition and Shop Catalog Tips see:
<http://www.purchasing.colostate.edu/resources/kuali.aspx>

COUNTY BUDGETS

County Extension budgets are prepared following the respective counties policies, procedures and timeline for the operating expense of the county Extension office plus a portion of the agent’s salary and benefits. Operating expenses to be budgeted by the county should include travel, office expense, supplies and equipment needed to conduct CSU Extension educational programs in the county. Budgets should also provide necessary and adequate administrative and clerical personnel support. Office space furnished by the county and related utilities may be included in the county Extension budget.

The county support agent salaries and benefit costs will be determined based on a formula, updated annually and approved by the Board of Governors of the Colorado State University System, predicated on available funding in the university budget. The formula establishes a county support amount for each agent position within the county.

Each county or area extension director is responsible for presenting and explaining the county extension budget to the board(s) of county commissioners and securing approval of the budget. Steps in the budget procedure are:

- a. No later than June, the Colorado State University Extension Director will notify each county or area director of the annual formula amounts required for the upcoming budget year.
- b. The County or Area Extension Director, in consultation with the regional director, will prepare the county Extension budget request. The budget request will include figures on expenses for the prior year, expenses to date for the current year, and funds requested for the subsequent year. County approved forms are supplied by each county to complete the budget request.
- c. County or area extension directors provide a copy of the approved budget to their respective regional director as soon as it is approved by the board of county commissioners. The regional directors forward these copies to the CSU Extension Fiscal Office.
- d. The regional director will submit a copy of the approved county or area budget, certified by the County commissioners, to the CSU Extension Fiscal Office. The memorandum of understanding between CSU and the county/area Extension is considered renewed annually when CSU receives a certified copy of the new county or area budget.

CSU EXTENSION P-CARD PROCESS

CSU Extension has moved to an electronic p-card processing system as of July 1, 2017. Below is the procedure to follow. The activity log is available on the CSU website on the staff resources page, under Financial Resources: <http://extension.colostate.edu/staff-resources/>

Process: P-card holder receives authorization/request to makes purchase (*for grants – PLEASE NOTE THE PI OR PROJECT MANAGER MUST APPROVE ALL GRANT RELATED EXPENSES*). *Either the p-card holder or their support staff member will be listed as the reconciler. The reconciler must review all purchases in Kualii, attach required receipts and back-up documentation and finalize the expense. The process is outlined below:*

- 1) Scan receipt, save in location easy to find for uploadKualii sends an e-mail notification with Document ID#, and lists the transaction in the reconciler's action list in the system.
- 2) In Kualii Action List:
 - Open action list (top left-hand corner in Kualii home screen). Click to open each transaction and reallocate the expense:
 - **NOTE:** You can also search for the document number in the Financial Transactions link under Custom Document Searches (on the Kualii home page)
- 3) Reallocate purchase in Kualii to correct obj. code & account (within the reallocation window)
 - Under Accounting Lines – click in Account Number field with pre-populated number (this is your p-card default account) – replace with correct account if needed
 - Click on Object – Change Object Code number to correct one depending on the type of purchase

NOTE: Re-allocation is "open" for each transaction for 21 days from the date of purchase. Suggested Best Practice is to reallocate once a week, to ensure that all purchases are reallocated within that time frame.

- 4) Attach Receipt/proof of purchase and Hospitality Form (if needed) AND any approval to make purchase, such as e-mail request from account holder in Kualii – NOTE all documents need to be in pdf format – can combine several documents into 1 upload OR upload each document separately.
 - Attach Documentations (as listed above):
 - Scroll to bottom of transaction, **UNDER NOTES & ATTACHMENTS TAB** –
 - click show button if not open, then **click add button** on right hand side
 - Input description of purchase in notes field,
 - **Click Browse button** under Attached File & upload documents
 - Add any notes necessary in the Note Text field – **TIP– notes can be very useful to convey any information about purchase that might be unusual and help expenses route through approvals more quickly!**

NOTE: Be sure to black out any credit card numbers listed on materials that are uploaded for security/risk management purposes.

- 5) When monthly p-card statement is received (this will come from Campus):
 - Review, Print out and sign the p-card monthly statement – sent via e-mail
 - Bundle all receipts with monthly p-card statement
 - Give to all documents to supervisor for review/signature
 - Supervisor needs to sign the P-Card Activity Log

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- P-Card Statement needs to be signed by cardholder and will also be signed by the Fiscal Officer in the state office once received in the mail.

6) Mail all fully signed materials to Ext. Fiscal Office

Fiscal Office will:

- Review and approval transactions in Quali;
- Retain all p-card receipts/statements/signed activity logs for audit purposes.

COMMUNICATION EQUIPMENT AND ACCOUNTS

Policy

Communication systems and equipment are provided for conducting official business of CSU Extension.

Personal use of equipment is only permitted if such use is infrequent, unavoidable, and fully reimbursed to the university/county.

CSU issued/paid cell phones:

If needed for work, and if the employee has adequate operating funds, a CSU issued cell phones can be used for personal use ONLY if the employee selects to **“opt in”** when establishing service. **“Opt in” allows the employee to make personal calls, etc. on the phone, and the employee is charged a monthly fee via a payroll deduction for their personal use.**

Reimbursement of Personal Cell Phone for Business Purposes:

Again, for employees who need a cell phone regularly in the course of their work, a personal cell phone can be used, and the employee may receive a reimbursement for the business use of their personal cell phone. This reimbursement is referred to as a ‘monthly cell phone allowance’. An allowance provides the employee a monthly contribution in each paycheck for the use of their cell phone for business purposes.

Employees need to work with their supervisor to determine if a cell phone is warranted in their work and if funds are available to cover such expenses.

Check with your county administrator to determine specific county policy and procedures for cell phone and other communications equipment. The full CSU financial procedure on telephone use can be found at: http://busfin.colostate.edu/Forms/FRP/Expense_Revenues/FPI_2-15_Personal_use_telephones.pdf

Procedure

Enrollment and Provider Information:

For further information including enrollment forms, mobile communication policy, plan FAQ’s visit the CSU Mobile Communications information site at: <http://verizon.colostate.edu/>

Cell Phone Account Management:

CSU manages accounts through a third party, Wireless Watchdogs. If you have questions about your line of service, please contact your cell phone administrator, Tyler Rayburn.

GRANTS/SPONSORED PROGRAM FUNDS AND RECORDS RETENTION

Grants Policy

Any time a CSU employee has salary or time committed to a grant, the grant MUST come through CSU sponsored programs. This can be done with CSU as the primary applicant or with CSU acting as a subcontractor. Either way, requires the submission of a proposal through the Kualu Research proposal system and an approved budget/application.

All Extension staff acting as principal investigators or co-investigators in research, applied research or extension grant-funded programs will adhere to guidelines set forth by the Office of Sponsored Programs and the requirements of the specific grant. Indirect costs will be allotted per grant criteria and CSU Extension indirect costs policy. Refer to Sponsored Programs Manual (<http://web.research.colostate.edu/osp/pdf/PIManual.pdf>) for more information regarding specific requirements of the CSU Office of Sponsored Programs.

Records Retention

Colorado State University record retention policies is set by the Colorado State Archives and Public Records Act. All CSU Extension offices must follow CSU record retention policy for all financial documents processed through CSU accounts. Record retention schedules can be found at the below link.

https://www.colorado.gov/pacific/sites/default/files/State_Sched7_0.pdf

An abbreviated version of the record retention policy can be found at:

http://busfin.colostate.edu/Forms/CampusSvcs/Record_Retention_PDI_2017.pdf

PAYMENT PROCESSING – INVOICES & REIMBURSEMENTS

This process should be followed to process payments for invoices and reimbursements that are less than \$5000 – i.e. DO NOT REQUIRE A PURCHASE ORDER.

PLEASE NOTE – Extension is in the process of moving to an electronic invoice and reimbursement procedure. We will continue to accept paper forms for processing, but are encouraging county offices to move to the electronic procedure.

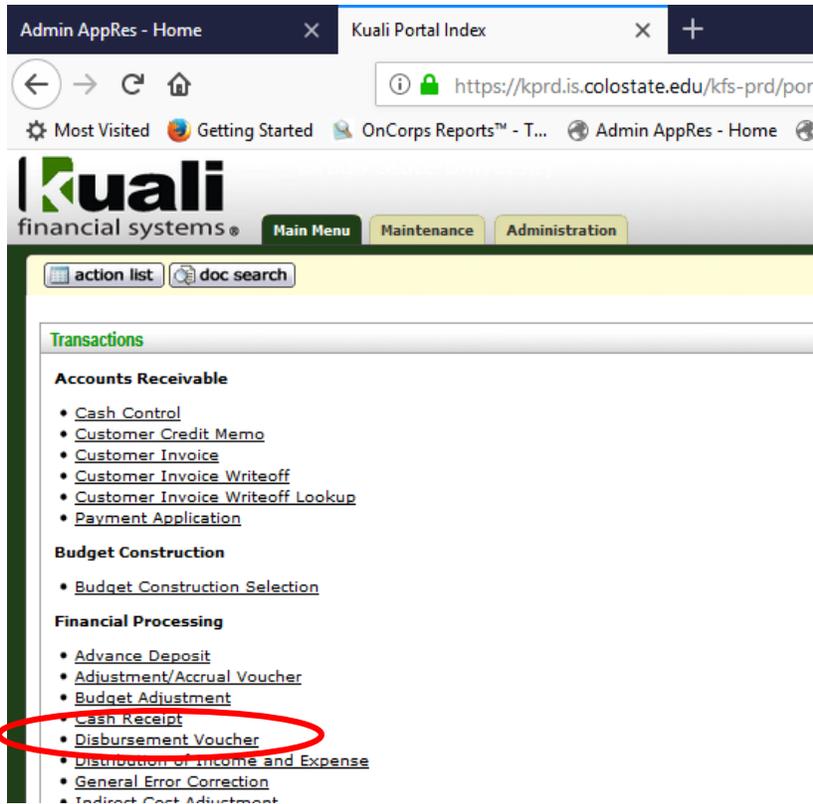
Electronic Procedure:

Extension is beginning to move to an electronic process for invoice payment, which includes reimbursing employees for purchases made. The same information that is currently required, will continue to be needed for all invoices. However, some of this information will be input directly into the Kualu.

To process your invoice payment electronically, the following steps are required:

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1. Click on Disbursement Voucher under the Financial Processing section on the main Kuali menu:



2. Complete all required field in the disbursement voucher – these are marked with an asterisk. These include:
 - a. Description – Begin with vendor name, and then a short description of purchase (note field is limited in amount of characters).
 - b. Explanation – Input business purpose for expense in this field. This is an unlimited field for further purchase and business explanation can be entered here.
 - c. Payee ID – Click on the magnifying glass and use the search to find your vendor by name (either individual or company) – Select a Category from the Payment Reason Code: - **A.** - <\$5000, Then type in either vendor or individual name to search (note, can use * as wildcard to search for beginning of name)
 - i. When list display below search, click return value for the vendor info. you wish to use.
 - ii. If vendor has more than 1 address, you will be prompted to select which one to use. Again click on return value for the address you wish use.

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2 items retrieved, displaying all items.

Return Value	Payee Name	Payee Type	Address	Payee Number
return value	Business Solutions Leasing	Vendor	PO Box 660831, Dallas, TX US	61731-0
return value	Gobins Inc	Vendor	PO Box 715, Pueblo, CO US	27761-0

Export options: [CSV](#) | [spreadsheet](#) | [XML](#)

3. Invoice Number & Date: – Enter invoice number from invoice & date. IF NO INVOICE #, do not enter an invoice date.
 - a. PLEASE NOTE – your invoice and any back-up documentation must include a signature approving the expense by the signature authority on the account(s) you are charging.
4. Select Payment Method: **P – Check/ACH**
5. Check Stub Text: Enter any notes for vendor that explains which invoices you are paying, such as
 - a. Example Text: “Invoice number 100, 102, and 103” OR “Aug and Sept lease payment” for payments with no invoice number. *PLEASE NOTE: do not use symbols in this field (such as \$, &, #, etc.)*
6. Enter Account number, Sub-account (if applicable), Object Code & amount:
 - a. Can use look-up for object code, or refer to List of Commonly Used Object Codes on the Extension Website under the Finance Resources Section: <http://extension.colostate.edu/staff-resources/>
 - b. Amount can be split between accounts by adding more lines, and listing the amount to pay from each.
7. Click on SHOW on the Notes and Attachments tab – to show fields:

8. Add note Text – this can be any notes regarding the purchase to help the fiscal office understand the need, etc.
 - a. ATTACH File – This is scanned pdf. Of the invoice, and all necessary documentation including completed hosting form with signatures if applicable, etc.
 - b. CLICK ADD button under actions to Add the note and attachments.
9. Click submit to send document to fiscal office for review/approval.
10. Retain original receipt and mail to Fiscal Office.

PLEASE NOTE: Be sure to only include business documentation and NOT any personal banking or other information, such as an account number if this is being used in lieu of a receipt. This would need to be blacked out/ redacted.

For assistance with this procedure please contact, or Laura Barrera, laura.barrera@colostate.edu

PAYMENT OF ITEM OF \$5000 AND OVER

Please note, for all items with an expense of \$5000 or greater, a purchase order is required. Please follow the following steps to get a purchase order issued. DO NOT MAKE ANY PURCHASE PRIOR TO CONTACTING THE FISCAL OFFICE. THE STATE OF COLORADO IS REQUIRED TO BID ITEMS THAT COST \$5000 OR GREATER.

PLEASE NOTE: Again, the Extension Fiscal Office is moving toward more electronic processes. We will continue to process purchase orders via the old system, however for those who wish to move to the electronic procedure, the steps are outlined below.

Procedure

1. Contact the Fiscal Office to determine if the vendor is established with CSU for payment (see Vendor Set-up and Verification section)
2. Create a requisition in Kuali for the total amount of your contract. As with a p-card or other payment request, complete the account line information indicating how the contract should be paid. Please note, multiple lines can be entered as long as the total amount equals the total contract amount for payment.
3. Attach a copy of any information quote or price listing to the Kuali Document.
4. Submit in Kuali – This submission goes to the CSU Extension Fiscal Office for review, then will be routed to Purchasing for review, signatures and approval.

CSU Fiscal Office will:

- Review all documentation and forward the contract to either the Purchasing Office for review and determination regarding any bid requirements by the state, or any required vendors.
- Once executed, the purchasing office will generate a purchase order by approving the requisition. This generates the Purchase Order number for use when paying the invoices.
- Purchasing office will send a copy of the PO to the vendor.
- Kuali will send you, the initiator, an approval notice indicating the requisition was approved and referencing the PO number.

LOCAL NON-APPROPRIATED CHECKING ACCOUNTS - UNDER COUNTY TAX ID

Definition

Local non-appropriated accounts are checking accounts established and held by the county as a means to take in program fees and pay expenses DIRECTLY related to PROGRAM ENHANCEMENT. The rules listed below pertain ONLY to these accounts.

EXAMPLES of NON-APPROPRIATED REVENUE GENERATION ACTIVITIES:

1. Sale of Goods - A county buys seedling, grows them to more mature plants and then sells at a profit.
2. 4-H Enrollment Fees - Can be retained locally in your county's non-appropriated account or sent to campus to be deposited into your campus non-appropriated (99) account for use. **This should be an EITHER/OR option to insure clear and accurate accounting of all enrollment fees and the corresponding expenses.**

Oversight / Policy

University officials, specifically Internal Auditing and General Counsel, have determined that inasmuch as all non-appropriated funds are generated by the county and expended by the county, these funds should not be commingled with university CSU Extension funds. Since CSU Extension employees have oversight and signatory authority for these accounts, it has been deemed appropriate that CSU Extension has the authority and responsibility to establish policies and procedures to keep these funds segregated and provide guidance for proper handling.

The county/area director is a CSU employee and is responsible for the management of non- appropriated funds:

- The director ensures that accurate records are kept and that the funds are used properly. Each county CSU Extension office may establish **only one account** to handle all relevant non-appropriated, non-university, locally generated funds.
- Establishment of a non-appropriated account either on or off campus can be done only with specific written permission by the Regional Director, Extension Director/Deputy Director, and the Extension Finance Director.
- These accounts are to be held under the county tax identification number and fall under the county's fiscal authority/rules. Charges and use of funds must be compliant with CSU Extension proscribed purpose and use of funds. If the county does not have written rules outlining financial policies/procedures and/or cash management, then the Extension Office must follow the written rules in this policy guide. Where the counties fiscal rules differ from CSU Extension, the county's rules should be followed. Following the county financial rules in no way negates the proscribed purpose/use of funds as outlined by CSU Extension.
 - Example – CSU Extension funds deposit requirements state, “deposits must be made weekly and/or anytime total funds (cash and checks) are at or in excess of \$250.00.” If the county's funds deposit requirement has a higher threshold – deposit funds weekly and/or when funds are at or in excess of \$500.00, then the Extension office can follow the higher county threshold for depositing.

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- A financial procedure manual **MUST** be created and maintained in each fiscal office. This manual needs to be reviewed and updated annually and must be shared with the county financial manager.

UNALLOWABLE USES OF FUNDS:

- any items of a personal nature,
- coffee and beverages for the office,
- edible treats/snacks,
- gifts, flowers,
- gift cards,
- office parties/dinners,
- DIRECT PAYROLL/FRINGE EXPENSES – *these can be reimbursed by non-appropriated funds, however,*
- **ALL hiring of personnel MUST be done through CSU or the county.** *County and area Extension Offices are NOT separate employers and CANNOT hire anyone directly, regardless of the funding source of the salary.*
- **Consultants or services which involve payroll taxes, or are in excess of the IRS 1099 reporting requirement**
- **DIRECT travel reimbursements to any state employee – including CSU and CSU Extension.**
- **OUTSIDE AGENCY REVENUE or EXPENSES OF ANY KIND**

SEE BELOW FOR FURTHER

- **CONSULTANTS /INDEPENDENT CONTRACTORS:**

- **Please note – This only pertains to independent contractors/consultants NOT a recognized business with a separate business tax ID number. If you have any question about this, please contact the Extension Fiscal Office to assist in determining.**

Payments to independent consultants, speakers or lecturers may be paid directly from non-appropriated funds **ONLY if** the contractor/consultant payments will be **less than \$600** (current IRS reporting requirement for contractor payments) **for all payments made to that specific contractor/consultant for the tax year.**

- For payments in excess of the reporting requirement, normal county and/or CSU payment processes must be followed to insure that the 1099 is issued, as required by law.
- If the expenditure is made through county or CSU accounts, the county/area Extension office should then repay the county or CSU.

INDEPENDENT CONTRACTOR VS. EMPLOYEE:

An individual is considered an employee if that individual receives instruction, guidance or supervision in performing their service. ALL employees must be hired through CSU or the county.

Generally, an individual is an independent contractor/consultant if that individual:

- provides skills or advice not available elsewhere within the organization,
- has a separate workplace,
- will determine the amount of effort and hours of work, to accomplish the required services within a stated time frame,

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- has or will furnish the knowledge, supplies, equipment and/or tools necessary to perform the service; is responsible for covering the expenses associated with the service, and entitled to the resulting profit or loss,
- receives no training, supervision, or instruction from CSU, other than conveying the scope of services desired.

See CSU Fiscal Policy FPI 2-19 for full definition and procedures for establishing independent contractor agreements: http://busfin.colostate.edu/Forms/FRP/Expense_Revenues/FPI_2-19_Independent_Contractor.pdf#zoom=100

- **TRAVEL REIMBURSEMENTS:**

All CSU employees are required to follow the CSU travel reimbursement policy and processes. For travel paid for by non-appropriated funds, the employee MUST submit a travel reimbursement through CSU Extension fiscal office. Extension Fiscal office will invoice the county and non-appropriated funds can be used to reimburse CSU Extension for the travel expense.

- **Paying for Expenses or Managing Revenues for an OUTSIDE AGENCY IS STRICTLY PROHIBITED:**

In the conduct of CSU Extension programs, it is desirable and necessary to work with numerous groups and organizations. However, such groups should not be dependent on CSU Extension to be responsible for or handle any of the group's funds. Nor should CSU Extension be responsible for accounting for receipts or expenditures thereof.

Examples of funds that should not be handled through the authorized local non-appropriated funds are:

- Sale and/or purchase of 4-H livestock – Livestock Sale Funds/Accounts
- Fair Board Accounts
- Dairy Herd Improvement Associations
- General community associations (e.g. breed associations, seed clubs, etc.)
- Home economic associations and clubs
- 4-H Foundations and Councils

Such groups have their own treasurers. Extension staff should have no authority to withdraw funds from or write checks on any association accounts.

FEE SETTING/PRICING OF MATERIALS:

1. PROGRAM FEES

Fees charged for services or materials must not be established to make a “profit”, but are intended as cost recovery in order to provide program enhancements with the exception of fundraising sales. The Cost Recovery and Fee Guidelines established in 1997 continue to be in effect for CSU Extension. A copy of these guidelines can be found at the following link:

Please note that fees must be based upon actual costs, and a provision must be made to allow for those who wish to participate but cannot afford to pay the fee to receive a waiver.

Residual funds from cost recovery activities are to be used toward future program enhancement activities. Costs must be clearly identified and fairly represent the estimated cost to conduct the activity.

2. FUND RAISING ACTIVITY PRICING

Fund raising sales include annual plant/tree sales, and other similar activities specifically established as general fundraising activities and presented to the public as such. All relevant sales tax must be charged and paid to both local and state tax agencies (see Sales Tax Requirement on next page).

3. CREDIT CARD FEES INCLUDED IN OVERALL FEE/PRICING:

PLEASE NOTE: If your office accepts credit card payments – **the fees CANNOT be passed onto the customer at the time of purchase.** You can however, include an estimated cost of credit card fees overall when developing your pricing. Currently the average credit card transactions fees are 2.25% of total purchase. When setting fees/pricing, you can include this or another estimated cost for credit card fees as a TOTAL cost of providing the service/product. This means the total cost would be increased slightly REGARDLESS of the payment method.

All other fees are to be charged for program enhancement activities only. This includes to cover the cost of a speaker, materials or additional materials for a course, etc. and should be based on cost-recover principles as outlined in the Cost Recover and Fee Guidelines document:

SALES TAX REQUIREMENT – ON GOODS SOLD (NOT SERVICES)

NOTE: The below sales tax requirement is for GOVERNMENT ORGANIZATIONS – NOT 4-H Clubs/Councils.

4-H Clubs/Council checking accounts are chartered under the 4-H Foundation tax identification number. The 4-H Foundation is a charitable organization (501 c 3) and as such does not need to charge sales tax.

Per the State of Colorado, all governmental agencies must collect sales tax for items sold as outlined below:

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SALES BY OTHER TAX-EXEMPT ORGANIZATIONS (From Colorado Department of Revenue, FYI 2):

*“Other tax-exempt organizations (including governmental entities and schools) that sell tangible personal property (for example, through a secondhand goods retail store, a fundraiser sales event or routine sales of organization-related items) **must obtain a sales tax license and collect all applicable state and local sales taxes.**”*

The EXCEPTION to this are materials purchased as Class Requirements.

These items that are either included in the price of the course, or are offered for sale specifically for the class/course/program do not need to be have sales tax charged on them.

Colorado State University collects taxes for the state and Larimer county. **All state sales tax** and Larimer county sales tax collected can be deposited on campus and CSU will submit payment to the appropriated departments. Please work with the Extension Fiscal Office to submit sales tax deposits and back-up documentation.

For all other counties, please contact your county directly to inquire if you need to collect county sales taxes, and if so, make arrangements to pay the tax directly from your office. The resources link below has spreadsheets that can be used to calculate sales tax, and can be modified for your specific county.

RESOURCES: Link to CSU Business and Financial Services Tax Services:

<http://busfin.colostate.edu/Depts/TaxSvcs.aspx>

You can contact the Tax Service Unit directly with any questions, and/or the Ext. Fiscal Office for assistance.

- Under Sales Tax Drop-down you can find:
 - Sales tax rates for: State of Colorado, City of Fort Collins, and Larimer County
 - Local sales tax rates should be listed on City and County websites
 - A HOW TO for calculating sales tax from gross receipts, and
 - Excel Spreadsheet to use for calculations – you can use this as a template and simply replace your city and county sales tax information.

RECORD KEEPING & DOCUMENTATION REQUIREMENTS:

1. EXPENDITURE DOCUMENTATION

Accurate and timely records must be kept of all transactions – both expenditures and revenues received. Generally acceptable accounting practices (GAAP) should be followed at all times and the funds should be handled in a business-like manner. To this end, an accounting manual should be created and maintained in each county Extension office outlining all financial procedures to be followed, according to county and CSU/state policy. **For assistance in developing a manual please contact the CSUE Fiscal Office and/or work with your county fiscal manager.** Basic record keeping and documentation requirements include:

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- 1) **Record Retention Requirement:** All records of non-appropriated account activities must be retained for a **minimum of six years.**
- 2) Records should include a copy of all receipts and back-up documentation which outlines the business purpose and need for the expenditure.
- 3) Receipts should be reconciled monthly with the appropriate bank statement and/or fiscal ledger. For checking accounts, the bank statement should be balanced with the check registry and financial ledger.
- 4) A summary report of receipts, expenditures and activities of non-appropriated funds will be required annually. Appropriate forms will be distributed in January of each year. The forms are to be returned to the CSU Extension Fiscal Office for review and retention.
- 5) A compilation report of all account activity based on these reports is submitted to CSU Internal Auditing yearly.
- 6) **Destruction of Records:** After six years, records can be destroyed by cross-shredding all financial material to prevent any personal identification information risk for Extension customers.

2. SALES DOCUMENTATION:

- **Cash Sales and Credit Card Sales:** Must be recorded on a cash register system or pre-numbered receipt form. A copy of the receipt is retained and one copy is provided to the customer. Indicate the type of payment tendered on the record of payment.
 - As with petty cash, all cash received from sales should be secured in a locked drawer/cabinet or safe.
 - Cash from sales should be kept separate from any petty cash or other cash funds.
- **Check Sales:** Must be recorded as outlined above. Additionally, checks must be reviewed for the following:
 - Ensure that checks are properly completed: made payable to “Colorado State University”, are not stale dated or post-dated; the numeric and written dollar amounts agree; it is drawn on a bank operating within the United States and payable in U.S. dollars; the check is signed by the payer.
- **Timely Deposit of Excess Funds:** Deposits of all funds (cash and checks) must be made weekly **and/or** when cash sales exceed \$250.00. In the rare event that deposits are not to be
- **Retention:** As with all financial documents, all records of sales and deposits should be retained for six years. Records should be maintained in locked location with access limited to only authorized financial personnel.
- **Destruction of Records:** After six years, records can be destroyed by cross-shredding all financial

PETTY CASH ACCOUNTS & REVENUE HANDLING:

In addition to a checking account, a county Extension office is authorized to maintain a petty cash fund up to \$50.00. The purpose of the petty cash fund is to provide sufficient cash to accept revenue and make change for sales of

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publications or other items. **No expenditures should be made from the petty cash account** with the following exception:

- Small, one-time purchases in amounts of less than \$2.00, but these should be kept to a minimum.

The county/area director will determine the need for a petty cash fund. The cash fund will be established from funds available prior to establishing the checking account or by writing a check in an amount to create the cash fund.

Procedures for cash fund operations are listed below.

The following rules apply to petty cash funds:

- Cash must be kept in a locked location.
- Only one individual should be responsible for the cash box.
- **No expenditures are allowed from the petty cash fund.**
- No advances, loans or IOU's can be made from the cash fund.
- A petty cash ledger should be maintained and the balance of the petty cash recorded at the end of each day along with any other transactions.

CASH, CHECK AND CREDIT CARD SALE HANDLING PROCEDURES:

Separate of Duties:

- Each component of cash, check and credit card handling – collecting, depositing, and reconciling – must be done by a separate individual to ensure proper checks and balances are maintained.
 - In small offices, this is not always possible, but separation of actual cash handling from reconciliation deters fraud and concealment of errors.
- Different employees should not work out of the same cash drawer. When responsibility for cash changes hands, a record of the current cash balance and sales is to be recorded with some type of receipting system.

Safeguarding Cash:

- Cash receipts, petty cash/change funds, checks and credit card receipts should be adequately secured at all times.
 - As noted previously all sales should be kept separate and secure from the petty cash fund.
- Cash drawers should be locked when the employee responsible for it is away from his or her work station.
- Safe combinations should be changed whenever staffing changes occur among those that know the combination.
- Keys for cash boxes/drawers should be kept in a secure location and all keys should be accounted for – i.e. the location and holder of each key should be recorded and this list should be kept up to date. When employee turnover occurs all keys to cash drawers/boxes/safes should be returned.

Reconciling Activity:

- Daily balancing should occur to reconcile the receipts (cash, check and credit card) register (cash register tape, pre-numbered receipts, or receipt log totals) to the deposit. Deposits must consist of itemized check and cash that correspond to the receipt log.

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- Petty cash should be counted daily and recorded on the petty cash ledger to ensure it remains at the stated level.
- Any unidentified differences should be documented and a cash overage/shortage booked to the balance sheet/quickbooks or other financial ledger system.
- Shortages and/or overages in the petty cash fund should be recorded in the petty cash account ledger at on the date it occurs. Shortage and/or overage transactions, if any, should be kept separate for the non-appropriated account transactions.

REVIEW OF NON-APPROPRIATED & PETTY CASH ACCTS.

Financial reviews will be performed by the Extension Fiscal Office annually. The review will include, but is not limited to, verification of cash, transactions, and ledger balances. Results of these reviews will be provided to the Colorado State University System (CSU) Department of Internal Audit.

The CSU Director of Internal Audit will meet annually with the Director of Extension or his/her designee to:

- 1) Assess the risks presented by the field offices within the context of the overall review risk assessment of the institution.
- 2) Identify field offices that will receive educational/review visits. Priority for reviews will be given to county's with:
 - a. a county or area director who is responsible for a non-appropriated account leaves Extension's employment,
 - b. a request for review by county commissioners, and then
 - c. the most time elapsed since the last review

In addition, CSU Extension may request a formal audit visit by the CSU Internal Audit office for specific needs. If resources allow, these reviews will be conducted by the CSU internal auditors. If resources within the CSU Internal Audit office are not available to conduct the requested audit, Extension may, at its own expense, arrange for an audit by someone not a part of Internal Audit office. In all cases, CSU Internal Audit will be kept informed of the plan for the audit and will receive a copy of the final report. Although the following individuals do not have review/oversight responsibility for the account, they may have access to the records to familiarize themselves with the handling, activity and reporting of the account:

- Anyone formally designated by the local board of county commissioners
- A representative from the Office of the State Auditor
- Colorado State University Extension administrative staff

MOVING EXPENSES

PLEASE NOTE:

As of January 1, 2018, per the newly adopted federal tax bill, ALL moving expenses are now taxable. This includes any dollars paid/reimbursed directly to the employee AND any amounts paid on their part to a vendor, such as a moving company.

Policy

Moving expenses will only be reimbursed if the move is completed within 12 months of the starting date of employment. The total moving expense allocation must be outlined in the offer letter. A copy of the offer letter is required when processing the reimbursement to ensure that the maximum allowance is not exceeded by the individual.

See the most current information regarding moving expenses at

http://busfin.colostate.edu/Forms/Guides_Manuals/FPI_2-6_Moving_Expenses.pdf#zoom=100

TRAVEL

Policy

Many CSU Extension employees are required to travel on university business within the state of Colorado. A blanket authorization for IN-STATE travel is provided through the appointment letter of Extension personnel (if applicable), EXCEPT when commercial airfare is involved. This means that a travel authorization form is not required for in-state travel, unless it includes airfare. For in-state travel including airfare, a travel authorization is required. However, supervisors MUST be consulted and funding be approved for any and all travel PRIOR to it taking place.

Per diem and incidentals -

For all OUT-OF-STATE travel, a travel authorization must SUBMITTED AND APPROVED prior to travel taking place, ensuring both supervisor approval and adequate funding is available to cover the travel costs. Authority to approve travel on University business outside the county or area is delegated to the county or area Extension director to approve, except for when such travel exceeds five calendar days. Applications by county and area personnel for travel on official University business in excess of five calendar days are to be submitted in advance for approval to the unit administrator/regional director and returned to the county or area office prior to the beginning date of travel.

It is important that applications for official business travel have the required approval and be on file in the county or area office prior to departure. This is particularly important for the individual Extension staff member and their family. If, while on official travel for university business outside the normal and recognized area of work assignment an individual is involved in an accident, workmen's compensation, liability insurance and other protective coverage may not be valid unless the application for travel is on file prior to the time of departure.

Unit administrators will provide periodic review of the travel authorization. Individuals authorized to approve pre-trip requests are stated in FPI D-3 and cannot be further delegated.

Time spent on official university business outside of the county or area assignment is computed on a calendar day basis in order to give proper coverage for the total time the agent is out of their assigned territory. For example, an absence on official University business from Friday through Tuesday is five calendar days.

All situations cannot be covered in any policy, however, common travel situations will be addressed. If individual circumstances do not fit into one of the covered situations, the appropriate administrator - in conjunction with a representative from the CSU Extension Fiscal Office - will make a decision regarding the correct procedure.

Procedures:

Forms for travel authorization and reimbursement can be found on the Extension website at:

<http://extension.colostate.edu/staff-resources/travel-information/>

PLEASE NOTE:

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1. **All requests for expense reimbursement MUST be received no later than 60 days following the final date of travel.** This means:
 - **The TRAVELER must approve their travel submission IN THE KUALI TRAVEL MODULE no later than 60 days from the trip end date. Kualii is CSU's financial system.**
 - Expenses submitted later than 60 days following the travel dates may not be reimbursed. This is a government policy that the CSU travel office follows.
2. **PROFESSIONAL DEVELOPMENT FUND REIMBURSEMENTS - MUST be received no later than 30 days** following the final date of travel. Professional development expenses submitted later than 30 days following the travel dates WILL NOT be reimbursed.

IN-STATE TRAVEL:

As stated in the travel policy, pre-authorization is NOT required for in-state travel **UNLESS** airfare will be purchased. **All airfare purchases require prior authorization** (see out-of-state travel procedure).

Travel reimbursement is appropriate for travel while on official CSU Extension business. Reimbursements are for actual expenses, and require original itemized receipts for all lodging, meals and incidentals. Alternatively, per diem may be requested for meals without any receipts. Mileage will be reimbursed as outlined below:

Mileage Reimbursement Policy - is predicated on the fact that employees are expected to report to the office (commute) at their own expense. This commuting mileage is not to be directly or indirectly included in the travel reimbursement.

- Reimbursement are only **for miles actually** driven.
- This reimbursement policy applies to all travel paid by Colorado State University Extension, including county or area funds on deposit in the University's Agency Fund (99 Fund). Travel reimbursements paid directly by counties should comply with the county reimbursement policy
- When travel originates from or terminates at a point other than the office (i.e., home) the reimbursement will be determined based on the mileage reimbursement examples below.

Mileage Reimbursement Examples:

1. Travel originating from and returning to the office reimbursed for the actual miles driven.
2. Travel originating from and returning to the home reimbursed at the lesser of round-trip mileage from the office to destination, **OR** the actual miles driven.
3. Travel originating from the home and returning to the office reimbursed at the lesser of roundtrip mileage from the office to destination, **OR** roundtrip mileage from the home to destination, **OR** the actual mileage driven.
4. Travel originating from the office and returning to the home will be reimbursed as follows:
 - Outgoing travel (office to destination) reimbursed for actual miles driven.
 - Return mileage (destination to home) reimbursed at the lesser of the destination to office mileage, or actual miles driven.

DAILY TRAVEL/MILEAGE LOG – (for reimbursements that do not involve overnight travel):

Official business travel by a county/area CSU Extension staff member requesting reimbursement for personal vehicle travel must be substantiated by a mileage log and accompanying records as follows:

- Nature of the business need for travel,
- Daily office schedule outlining travel of employees,
- Other circumstances, such as responding to a major disaster (regional fire, etc.)

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- **Reimbursement must be approved in Kualii financial system by supervisor prior to any reimbursement being made.**

For additional information, please view the CSU web site: http://busfin.colostate.edu/Resources/Fin_Rules_Procs.aspx
(Click on the Travel drop-down to open the travel policy.)

OUT-OF-STATE TRAVEL:

ALL out-of-state travel requires PRE-AUTHORIZATION:

A travel authorization (TA) is required for all out-of-state travel (and for all in-state airfare travel). A travel authorization form (located on the Extension website at <http://extension.colostate.edu/staff-resources/travel-information/travel-forms/>) **must be completed and submitted to the Extension Fiscal Office AT LEAST 3 WEEKS PRIOR TO TRAVEL.** *This is necessary to ensure the traveler will be covered under the University's insurance policy. This procedure applies for official university business even if the cost is paid by a source other than the CSU Extension, such as the county.*

1. Completed TA Form(s) must be submitted to the CSU Extension Fiscal Office
2. CSU Extension Fiscal Office inputs the TA request into the Kualii financial systems and routes to the employee's supervisor and regional director for review and approval.
3. Once approved, a TA# is issued in the Kualii system. *(This TA# is then added to post-travel reimbursement requests to tie together any airfare or other expenses directly authorized/applied with post-travel reimbursement amounts.)*
4. *Employee travels - Retain all appropriate receipts and conference agenda materials (if applicable)*
5. *Once travel is complete, employee completes travel reimbursement request form and submits with receipts, conference/meeting agenda, and any other necessary documentation for reimbursement of out-of-pocket expenses.*

VENDOR SET-UP & VERIFICATION

All companies and individuals must be set-up as a vendor in order to receive payment from CSU. This ensures that CSU remains compliant with multiple state and federal reporting requirements. There are 2 main categories of vendors:

1. Individuals/sole proprietor or consultants,
2. Established businesses/organizations

1. INDIVIDUALS/SOLE PROPRIETORS:

IMPORTANT: Is your vendor an individual or sole proprietor? If so, contact the fiscal office BEFORE ANY SERVICES ARE COMPLETED to ensure that this individual can be a CSU vendor by requesting an Independent Contractor form (provided by fiscal office and approved by CAU accounts payable). If this individual is not approved as an independent contractor, he/she may be able to be hired as an employee.

2. Businesses/organizations:

If your vendor is a company, corporation, partnership, or non-profit organization, AND it's the first time you have used them, contact the Extension Fiscal Office: laura.barrera@colostate.edu to see if the vendor is in the CSU system. If not, you will be instructed to obtain a W9 from the vendor. Send this form to the fiscal office with the Payment Request and invoice. The fiscal office will input information into the payment system for CSU accounts payable approval.