

03.105 Reimbursement to Employees (Non-Travel). Employees should purchase items through the normal purchasing procedures and processes established at the System. However, should an emergency situation occur that necessitates the employee purchasing goods for reimbursement by the System; the following rules will apply in order to obtain reimbursement:

1. Employees **MUST** follow all purchasing regulations required of the particular type of purchase and fund source being used.
2. Employees will be reimbursed for sales tax on local accounts only.
3. Due to tax implications, employees will not be reimbursed for payments to an independent contractor.
4. Employees will be reimbursed for payments to individuals for services, regardless of the source of funds, only if a true emergency exists.
5. Reimbursements should be requested within 60 days from the date expenses were incurred. Purchases made in July and/or August should be submitted for reimbursement not later than 30 days after the System's fiscal year-end, August 31, so that the expenditures can be charged to the appropriate fiscal year. Under IRS regulations, expense reimbursements that are not made to an employee within a reasonable period of time (60 days) may be reported as income on the W-2 and subject to withholding and all payroll taxes.
6. Explicit receipt documentation will be required which will serve as an invoice from the employee, and the individual receipts must have all the attributes of a standard invoice. Proof of payment will also be required.
7. The Food Policy must be followed for food related reimbursements. Exorbitant expenditures for food may be reportable to the IRS as income.
8. The purpose, and reason for the emergency expenditure, must be noted on the purchase.
9. This policy does not pertain to employee travel items.
10. This policy does not pertain to student refunds, unless it is a reimbursement for items purchased on behalf of the University and the student is also an employee.

11. Employees may be reimbursed on a check request, with proper documentation attached.
12. If a non-employee purchases something on behalf of the System, the reimbursement should be filed on a purchase order. All items above apply except/or in addition to the following:
 - a. If tax issues are involved, the filing will be accomplished on a 1099.
 - b. A statement explaining why the non-employee made a purchase for the System will be required.
13. This policy does not apply to refunds for items an employee or individual has paid to the System.