



Manual of Policy and Procedures

Policy 429: Purchasing of Equipment, Goods, Services, Travel and Hospitality and Related Items

Effective Date: for all purchases FY2027 or later¹

1. Purpose

To establish a standardized, transparent, and accountable procurement process across the Vermont State Colleges System (VSC), leveraging Workday to ensure compliance, fiscal responsibility, and operational efficiency.

2. Scope

This policy applies to all VSC departments, faculty, and staff involved in the procurement of goods and services, regardless of funding source and extends to all purchases of goods, services, travel, and hospitality regardless of the source of funding, or method of procurement (purchase or lease). Special circumstances regarding real estate transactions (Policy 426), capital construction (Policy 428) and legal counsel (Policy 409) are addressed via separate policies, though the general standards of competitive bidding, requisitions, purchase orders and compliance apply universally to all purchasing types.

¹ The nominal effective date of this policy is July 1, 2026. However, the previous policies remain in effect for all purchases made for FY2026 or earlier. All purchases for FY2027 are expected to adhere to this policy. In the event a purchase is planned in advance of July 1, 2026, the purchaser is expected to follow the policy and record the necessary documents when the Workday system becomes available.

3. Competitive Bidding Requirements

To ensure fair and open competition, the following thresholds and procedures apply:

Purchase Amount	Requirement
<\$25,000	Informal quotes encouraged but not required
\$25,000– \$100,000	Minimum of three written quotes required
>\$100,000	Formal competitive bidding process required (RFP or RFQ)

- Sole-source purchases must be justified in Workday and approved by the Chief Business Officer or designee.
- All bids and proposals must be evaluated based on price, quality, service, and alignment with VSC values.
- “Purchase Amount” is the total value of the transaction, not limited to each year.

4. Contracts

- The System Office and each Institution shall, in writing, specify which officials are authorized to enter into contracts. All those with such authority on behalf of an Institution or the VSC shall exercise their authority in full compliance with Policies 428 and 429 and these standards and procedures.
- Contracts, once awarded, may be renewed beyond the original term, including any renewals contained therein, once without resorting to a new solicitation or Request for Proposals process provided however the renewed term does not exceed the original term and in no event may the renewal period exceed three years.

5. Purchase Requisitions in Workday

- All purchases (except those listed in Section 7) must begin with a **purchase requisition** submitted through **Workday**.
- Requisitions must include:
 - Description of goods/services
 - Estimated cost
 - Funding source (Workday cost center or grant)
 - Justification for purchase
 - Required approvals via Workday workflow

Budget Check Requirement:

- Workday will automatically perform a budget availability check during requisition submission.
- Requisitions will not route for approval if the associated cost center or grant lacks sufficient funds.
- Users must resolve budget issues before proceeding, either by adjusting the requisition or reallocating funds.

6. Purchase Orders in Workday

- Upon approval of the requisition, Workday will generate a purchase order (PO).
- Suppliers must receive a valid Workday PO before fulfilling any order.
- POs serve as the official authorization and contractual agreement between VSC and the supplier.
- Suppliers must include the PO number on any invoice submitted for payment.

7. Exceptions: Travel and Hospitality Expenses

Travel and hospitality expenses are exempt from the purchase requisition and purchase order requirements outlined in Sections 4 and 5. However, these expenses must be managed and documented through Workday's Spend Authorization form.

Requirements:

- All travel and hospitality expenses must be:
 - Pre-approved using the Spend Authorization process in Workday
 - Submitted with appropriate itemized receipts and documentation
 - Directly related to, or associated with, the conduct of official VSC business.
- Reimbursement Standards:
 - While traveling, reimbursements for lodging, meals, and incidental expenses will follow the IRS General Services Administration (GSA) per diem rates applicable to the travel location and date and will reimburse the actual amount of the expense, up to the maximum of these rates.
 - Hospitality (non-travel) Meals: unless pre-authorized, food and beverage for non-travel events must adhere to the IRS General Services Administration (GSA) per diem rates applicable to the location and date of the event on a per person basis. The purpose of the hospitality, number of guests, and roster must be supplied.
 - Unless pre-authorized by the president of the institution or the chancellor of the system, alcohol purchases shall not be reimbursed.

- Mileage reimbursement will be based on the IRS standard mileage rate in effect at the time of travel and one's standard commuting miles (from domicile to home campus, academic center, or work location) shall be deducted for all standard workdays, in conformance with VSC Driver Safety Program (Policy 419).
- Travelers are responsible for ensuring that expenses do not exceed allowable limits unless prior written approval is obtained.
- By submitting for reimbursement, the employee is attesting that expenses are in compliance with VSC policies and procedures.
- Expense documentation must be submitted promptly after travel concludes against the expense report authorized by the Spend Authorization form. Reimbursement will not be processed until receipts are attached to an expense report and will be reviewed for compliance with VSC policies and procedures.

8. Software, Hardware and Related Computing Purchases

All purchases of computing hardware, software, computing applications, and related computing applications require the approval of Information Technology and must comply with all cyber-security standards.

9. Purchasing Against Grants in Workday

Procurement using grant funds must comply with VSC policies, procedures, specific terms of the grant award, and uniform guidance.

- All grant-funded purchases must be:
 - Directly related to the scope of the grant project
 - Approved by the Principal Investigator (PI) or Grant Manager in Workday
 - Supported by documentation demonstrating allowability and allocability under the grant
- Federal grants must follow Uniform Guidance (2 CFR Part 200) procurement standards. See Chancellor's Procedures for Federal Grant Purchases.
- Requisitions must clearly identify the grant as the funding source in Workday and include any required sponsor approvals.
- The institution's grant officer will review and approve all grant-related requisitions prior to PO issuance.

10. Use of Company Purchasing Cards (P-Cards)

The VSC issues Company Purchasing Cards (P-Cards) to designated employees for the purpose of streamlining payment for approved travel-related expenses.

Authorized Use:

- P-Cards are intended for **official travel and hospitality expenses only**, including:
 - Airfare
 - Lodging
 - Ground transportation (e.g., rental cars, taxis, shuttles)
 - Conference registration and webinar fees
 - Business-related meals during travel
 - Meals for in-house events
- P-Cards may not be used for:
 - Personal purchases
 - Equipment, supplies, or services that require a purchase order
 - Cash advances or gift cards

Cardholder Responsibilities:

- Cardholders must retain and upload itemized receipts for all transactions into Workday's Expense module.
- All P-Card documentation must be submitted to Workday within the month of the transaction date.
- Misuse of the P-Card including but not limited to purchase of personal items, items requiring a purchase order, cash advances, gift cards, failing to provide adequate and timely reconciliation of the card's transactions, or uses which violate VSC policies and procedures may result in revocation of privileges and/or disciplinary action.

Personal Credit Cards:

- Employees who have not been issued a p-card may use their personal credit card for their own incidental travel expenses not covered by the P-Card (e.g., tips, snacks, minor supplies, meals, and lodging that has not been prepaid).
- These expenses are eligible for reimbursement through Workday's Expense module, subject to documentation and adherence to IRS GSA per diem and mileage rates and in compliance with VSC policies and procedures.
- Personal credit cards may not be used for any academic field trips or other course related travel or for any purchase requiring a purchase order.

11. Gifts and Awards

To ensure compliance with IRS regulations and institutional standards, VSC establishes the following guidelines for the purchase and distribution of gifts and awards to employees and students.

11.1 General Principles

- All gifts and awards must be:
 - Related to official VSC business or recognition
 - Approved in advance by the appropriate supervisor or administrator
 - Documented and processed through Workday's Expense module
- Gifts and awards must not be used as a substitute for compensation or to circumvent purchasing procedures.

11.2 Taxability Guidelines

- **Cash and Cash Equivalents:** Cash, gift cards, and gift certificates are considered taxable income under IRS rules and must be reported to Payroll or Human Resources. These items are not considered de minimis and are never excluded from taxation.
- **Tangible Gifts and Awards:** Non-cash items (e.g., plaques, books, branded merchandise) may be considered de minimis and non-taxable if:
 - The value does not exceed \$100
 - They are given infrequently
 - They are administratively impractical to track
- **Length-of-Service Awards:**
 - Non-taxable up to \$500 if the employee has at least five years of service and has not received a similar award in the past four years
 - Awards to employees with less than five years of service or repeat awards within four years are fully taxable
- **Student Awards and Prizes:**
 - Awards for academic achievement or competition (e.g., scholarships, contests) are taxable unless applied directly to tuition, fees, books, or required equipment
 - Prizes and awards not meeting scholarship criteria must be reported and may be subject to IRS Form 1099-MISC reporting

11.3 Purchasing and Documentation

- All gifts and awards must be:
 - Purchased using approved VSC funds and processes
 - Accompanied by itemized receipts and justification
 - Submitted with a Taxable Gift/Award Form when applicable
- Gift cards and certificates may not be reimbursed or purchased with VSC funds unless explicitly authorized and documented for research subject payments or other approved exceptions.

11.4 Restrictions

- Alcohol, cash advances, and personal gifts are prohibited unless pre-authorized by the president of the institution or the chancellor of the system.
- Gifts and awards must not be given to employees or students in exchange for services or performance outside of formal compensation structures

12. Full-Time Faculty Professional Expenses

- Faculty professional expenses as described in Article 31 of the Full-Time Faculty Agreement, must be consistent with the terms of the article.
- Annually, each eligible faculty member shall be required to acknowledge their understanding of the use of the professional expenses fund, the process for use of the declining balance purchasing card, and all other aspects of Article 31.
- At the beginning of each academic year, or fraction thereof if starting midyear, each eligible faculty member shall be issued a declining balance purchasing card upon which they must make their professional expenses.
- Faculty members must retain receipts documenting purchases for a minimum of two years from date of purchase and make them available for inspection upon request. Failure to provide access to receipts when requested may result in revocation of the declining balance purchasing card. Should this occur, faculty members will be required to use their personal funds and request reimbursement using the Spend Authorization Form.

13. Compliance and Oversight

- Non-compliance may result in delayed payments, audit findings, or disciplinary action.
- The Business Office will conduct periodic reviews using Workday reporting tools to ensure adherence.

- The Chancellor shall adopt standards and procedures governing contracts for purchase and lease of goods, services and equipment and from time to time modify them as necessary.
- In accordance with the applicable VSC Board of Trustees policies on conflict of interest, kickbacks, gifts and other favors from vendors are strictly prohibited.

14. Policy Review

This policy shall be reviewed annually by the Business Affairs Council of the VSC and updated as necessary to reflect changes in regulations, institutional priorities, or Workday functionality.

Board Approval Date: March 9, 2026