



VMI ACCOUNTING POLICIES & PROCEDURES (VAPP)

JULY 15, 2025

VIRGINIA MILITARY INSTITUTE
Finance and Budget Office

NOTICE TO READER:

At the 11 September 2019 meeting, the VMI Board of Visitors approved and adopted VMI's Accounting Policies & Procedures (VAPP) manual, in its entirety and as provided, specifying that the VAPP is to be maintained within the Office of the Deputy Superintendent for Finance and Support as Superintendent Designee. All revisions, to both regular text and bold italic print (denoting key controls), must be documented for audit purposes and approved by VMI's Deputy Superintendent for Finance and Support.

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Introduction

Section 10000

10110 Purpose of this Manual

This manual describes VMI's Colleague Accounting System and establishes financial policies and procedures for VMI. One of the primary goals of this manual is to encourage efficiency, proper internal controls, and accurate financial reporting. This document references the forms and instructions one must use in processing financial transactions at VMI. It provides a complete orientation to the system for all users.

10120 Scope of this Manual

This Manual includes descriptions, policies, procedures, and forms to explain the following items:

1. Standard Operating Policies
2. Accounting System Structure
3. Financial Reports
4. Cash Receipts Operations
5. Disbursements
6. Payroll
7. Restricted Funds Accounting
8. Fixed Asset Accounting
9. Cadet Accounting Policies
10. Departmental Records
11. Annual Operating Budget Policies
12. Procurement

10130 Numbering System

This Manual uses a 5-digit section number to locate information:

- XX Section
- X Major Section
- XX Paragraph

References to forms or instructions related to the section may be included as considered helpful.

10140 Compliance Reporting

The Deputy Superintendent for Finance and Support shall semi-annually give a report to the Audit, Finance and Planning Committee of the Board of Visitors on the status of VMI's compliance with the policies set forth in this Manual.

10200 Revisions to this Manual

At the 11 September 2019 meeting, the VMI Board of Visitors specified that the VAPP is to be maintained within the Office of the Deputy Superintendent for Finance and Support as Superintendent Designee.

All necessary revisions shall be consistent with state laws and regulations, documented for audit purposes, and approved by VMI's Superintendent for Finance and Support. In case of a conflict with state law or where the policy is silent - state law will prevail.

This Manual is available to all VMI employees through the Finance and Budget Office website and the VMI Portal. It is each employee's responsibility to adhere to the most recent version provided.

10300 Financial Responsibilities at VMI

Every administrator, fiscal officer, and employee has the responsibility to ensure that the financial resources of Virginia Military Institute are expended to best serve the Institute. The Institute's financial resources are appropriated by the State of Virginia (State funds) and provided by private sources (Local funds). The VMI Board of Visitors annually adopts the Institute's operating budget. State laws and

regulations, this manual, and the Institute's annual operating budget provide policies and procedures for the collection, control, and expenditure for all funds. The responsibility mentioned above is best met by:

1. Performing adequate planning for the use of the funds allocated.
2. Frequently reviewing the expenditure of funds in order to ensure that they are being made in the most efficient manner.
3. Retaining flexibility in financial management to meet unexpected or unplanned needs.
4. Exercising the closest personal supervision practicable over the entire function.

10310 Overview of the Colleague Finance System

The Colleague Finance Module encompasses the General Ledger, Procurement Services and Accounts Payable functions and was implemented 1 July 1998. This module is a portion of a fully integrated computer system, which VMI purchased from Datatel Corporation (now Ellucian). Colleague Finance was the first of the modules implemented. The non-student accounts receivables, which are maintained in the Student System Module, was also implemented 1 July 1998.

The Human Resource Module, which includes Personnel and Payroll, was implemented 1 January 1999. The student receivables portion of the Student System Module was implemented in Spring 1999. All modules post financial transactions into the General Ledger for accounting and reporting purposes. The Budget Module was implemented in September 1999.

This system is a fully integrated, on-line system, and VMI comprehensively utilizes all modules. Before departmental use, all users shall be trained and all security measures in place.

10320 Supervision of Accounts

Every account has an individual to supervise that account and its activity; that is, a Budget Officer will be assigned to each account. If you have questions concerning an account, then direct those questions to the respective Budget Officer. The Finance and Budget Office is also available to provide operating assistance.

10330 Use of Fund Accounting

The Colleague Finance System provides for separate self-balancing sets of accounts, or fund groups. The selection of fund group depends on the needs of the Institute and generally accepted fund accounting principles as specified in the National Association of College and University Business Officer's **College and University Business Administration** handbook.

The Institute uses the following funds groups:

- Unrestricted Current Funds
- Restricted Current Funds
- Student Loan Funds
- Endowment Funds
- Plant Funds
- Agency Funds

10340 Use of "Department" in this Manual to Describe Institute Activities

The Colleague Finance System uses individual accounts to record particular financial activities at three different levels – Institute, departmental, and activities within departments. To simplify the discussion of which level is handling account transactions in the Manual, "*department*" is used in all cases. Unless specifically stated, the rules and procedures for handling individual transactions are not different for any of the three organizational levels listed above.

Accounting System Structure

Section 20000

20100 Description of the Colleague Finance Accounting System

The Colleague Finance System uses a 16-digit account number to record and report on all financial transactions for the Institute. ***Departments are responsible for monitoring budget and individual transactions to accounts for which they have control.*** The Finance and Budget Office will produce all required and requested financial reports for the Institute based on the information recorded in the Colleague Finance System. The Finance and Budget Office reconciles accounting information, bank accounts and transactions between modules on a monthly basis.

20200 Account Numbering

Every activity at the Institute has a unique account number to record its financial data. The Colleague Finance general ledger (G/L number) account number is a 16-digit account number that has five major components and six sub-components. The account number includes four delimiters bringing the total account number to 20 characters.

The breakdown of the G/L number is as follows:

XX-XX-XXX-XXXXX-XXXX

The major components of the account number are:

- Fund (Digits 1 & 2)
- Fund Source (Digits 3 & 4)
- Program (Digits 5 – 7)
- Cost Center (Digits 8 – 12)
- Object (Digits 13 – 16)

Complete descriptions of the various components may be viewed by using the appropriate reference material. The fourth component, cost center, consists of five digits. The first two represent the department associated with the account and the final three represent the account name. A listing of departments is available; however, this does not include all of the Institute cost center descriptions. Please direct any questions regarding any other types of object codes or Colleague account numbers to the Finance and Budget Office.

20210 Revenue and Expense Object Codes

Object codes are four-digit numbers, which represent individual types of revenues and expenses. Detailed revenue and expense object codes are established to provide the necessary specific information for financial reports and management control. If the Department needs to use an object code, other than those already existing within a given cost center, the Finance and Budget Office must first create that object code within that cost center. All transactions must include the correct object code. The Procurement Services and Accounts Payable Office within the Finance and Budget Office will return to the department those transactions with missing or incorrect object codes. The department shall ensure that correct coding is used on all transactions. Improper coding will result in a delay in processing the transaction.

20300 Assignment of Account Numbers in Colleague Finance

Account numbers are assigned to departments or activities based upon types of revenues and expenses. Departments may have different accounts requiring different processing procedures. For example, a department may have a state funded account, a local unrestricted account, and a local restricted account. The first digit of the account number immediately identifies state or local. Account numbers beginning with “1” or “2” are state funded accounts, “3” or “4” are local funded accounts. “*State Funds*” refers to appropriations by the General Assembly of state general funds or those funds deposited by the Institute to the Treasury of Virginia to be accounted for by the State.

“Local Funds” are non-state funds deposited in and disbursed from the Institute treasury. Examples include private gifts, grants, awards, VMI Foundation aid, gate receipts for intercollegiate athletics, and collections from other Institute activities.

Both state and local funds are public funds; both can be either restricted or unrestricted based on fund source and donor or General Assembly requirements. Departments shall follow disbursement procedures as described in Sections 40000 and 45000 regardless of fund source.

20400 Requesting a New Account

In order to create a new account, departments shall submit a new account request to the Director of Finance and Budget. The Director shall approve or disapprove such requests. The Finance and Budget Office will notify the requesting department of the newly assigned account number and date established. Budgets for new accounts will be created according to the established budgeting procedures. Upon creation of a new account, the Finance and Budget Office will send the responsible department an Authorized Signatures form to be signed and returned to the Finance and Budget Office. Departments may request new object codes in existing accounts by contacting the Finance and Budget Office.

Financial Reports

Section 25000

25100 Introduction

Financial reports are only useful if the information incorporated within those reports is accurate and up to date. It is each department head's and/or Colleague account budget officer's responsibility to assure the transactions posted to their accounts are correct and accurate.

There are a number of reporting tools available to capture and sort the large amount of data that is entered into the Colleague Finance module. One reporting tool the Institute currently uses is Entrinsik. With Entrinsik, department heads and Colleague budget officers have access to reports that will retrieve budget balances, encumbrance information as well as revenue and expenditure data. Entrinsik reports can be created in PDF format or exported to Excel to allow further analysis. Departments can create both summary level reports and reports that provide detail transactions. Departments can view these reports at any given time.

Each department is strongly encouraged to reconcile their accounts as reflected in Colleague to supporting backup maintained within their department on a monthly basis.

25200 Using Entrinsik for Budget and Financial Information

Current account information is available to departments through Entrinsik. Entrinsik will provide up-to-date budget balances, encumbrance, and detail transactions for each account. To access Entrinsik budget information users must already have access to Colleague. The link to a short presentation on using Entrinsik for finance is available on the VMI Portal under [Information Technology Resources](#).

25300 GCPay System for Pool Bond Funded Capital Projects

The Department of General Services for the Commonwealth of Virginia contracted with a vendor, GCPay, to provide a web-based service to track costs associated with capital projects including the processing of pay applications and tracking of expenses for construction projects. Use of this system is mandatory for all designated pool bond-funded projects.

It is the responsibility of the Director of Facilities Management to ensure this system is used for submitting, reviewing, and approving construction contractor's CO-12 (Schedule of Values) forms and architectural and engineering (A/E) invoices. Procedures for utilizing GCPay can be found in the [GCPay Users Guide](#).

25350 Building Information Tracking System for Capital Outlay

The Department of General Services for the Commonwealth of Virginia has developed the Building Information Tracking System (BITS) a web-based DGS computer application used for processing capital outlay (CO) forms and building official (BO) forms. BITS also provides support for various business operations of the Bureau of Capital Outlay Management (BCOM).

It is the responsibility of the Director of Facilities Management to ensure this system is used for submitting and reviewing the various forms as required in conformance with the Department of General Services procedures. Access to BITS for VMI employees and contractors will be routed through the Director of Facilities Management for approval by the Department of General Services.

25400 Inquiries Concerning Financial Reports

Individuals with questions concerning the financial reports of their accounts should contact the Finance and Budget Office. If you have questions concerning account budget amounts, please contact the Finance and Budget Office.

The Budget Officer for each account shall send any changes or adjustments to the data, (i.e., a completed purchase order still being reported as outstanding) to the Finance and Budget Office in writing or by E-mail. ***Departments must review their accounts on a timely basis, especially near the end of a fiscal year, to ensure that all charges to accounts are correct and to reconcile all outstanding purchase orders. Failure to conduct such a review could result in the budget balance available being inaccurate.***

Cash Receipt Operations

Section 30000

30110 Deposits

All departments and individuals receiving cash or cash equivalents from Institute activities shall deposit the same with the VMI Cashier; there are no exceptions to this policy. All departments shall stamp or write the date received on the envelope and restrictively endorse checks upon receipt. Departments may request endorsement stamps from the cashier. No one shall make any expenditures directly from collections. Departments shall never cash checks from temporarily held collections. The departments currently collecting funds are the Athletic Department, Commandant's Office, VMI Museum, Military Store, Virginia Museum of the Civil War, Jackson House, Admission's Office, and the Chaplain's Office. Individual department procedures are listed below.

Departments not listed above shall adhere to the following:

The department shall receive approval from the VMI Director of Finance and Budget to collect funds. No department shall collect funds without this approval. Departments shall deposit daily with the VMI Cashier; said deposit shall include a signed copy of the Cash Receipt Transmittal Form. Funds not deposited with the cashier shall be kept in a secure place until such time as a deposit is made. Do not place in the VMI Post mail those deposits that include cash. You shall only use the VMI Post mail for those deposits comprised entirely of checks. The VMI Cashier will return the receipt to the department. The depositing department shall retain the receipt for internal and external audit purposes.

Athletic Department

The Athletic Department will record all ticket sale receipts in their ticket software system. Bank deposits will be made daily by the ticket manager during football and basketball season if sales have been made.

During football and basketball season, on game day, the Post Police will take the deposit to the bank and deposit it in the night depository. The Athletic Department shall send to the VMI Cashier an Athletic Department Daily Cash Settlement sheet for recording all deposits in Colleague.

The Athletic Department shall deposit all non-ticket sales as needed with the VMI Cashier via an Athletic Cash Report. Those funds that are not deposited with the Cashier shall be kept in a secure place. The Athletic Department shall mail these reports to the Cashier unless there is cash in the deposit. When the deposit contains cash, an Athletic Department representative shall personally deliver the deposit to the Cashier. The VMI Cashier will mail the receipt to the Athletic Department.

The Athletic Department personnel shall compare all copies of the receipts with Colleague reports.

The VMI Museum, I Jackson House, and Military Store

The VMI Museum, Jackson House, and the Military Store shall record all sales (cash, check and credit card) on their respective cash registers. Department personnel shall record the sales on the VMI Museum Daily Transaction Report and the Military Store Daily Sales Report respectively, and deposit all sales receipts with the VMI Cashier daily. The VMI Museum personnel shall deposit the proceeds from the donation box at the VMI Museum at least monthly. The Post Police shall deliver the Museum deposit to the VMI Cashier. The VMI Cashier shall mail the receipt to the VMI Museum. The VMI Museum personnel will compare the receipt to the transmittal forms and Colleague reports. The Post Police will deliver the Military Store deposit. The receipt will be mailed to the military storekeeper who will verify the receipt with copies of the cash report and Colleague reports. The Storekeeper will retain these receipts.

Virginia Museum of the Civil War

The Virginia Museum of the Civil War (VMCW) shall record all receipts in the cash register. VMCW personnel shall enter the receipts in Colleague on a daily basis and send an email to the VMI Cashier that includes the session report when the session is reconciled. From this message, the VMI Cashier will know to include the session in the daily general ledger deposit. VMCW personnel shall daily deposit the receipts at the approved Institute bank in New Market. The VMCW personnel shall verify deposit information with Colleague reports.

Admissions Office

The Admissions Office shall record all checks on a log and mail them to the VMI Cashier daily. The VMI Cashier shall mail the receipt to the Admissions Office. The Admission personnel shall compare this information to the log retained by that office. The Admissions Office shall keep these receipts and log for audit purposes.

Commandant's Office (Cadet Life)

Cadet organizations collecting funds shall take their deposits to the Cadet Life Office where Cadet Life personnel shall recount the deposit and prepare a Cadet Activity Transmittal Form. The Cadet Life office shall send these deposits and forms to the VMI Cashier on the same day that Cadet Life receives them. The VMI Cashier shall write a receipt and mail the same to Cadet Life.

Chaplain's Office

Two individuals, one of which is typically the Chaplain, collects and counts each Sunday's offering immediately following that day's religious service. The Chaplain completes a Cadet Chapel Service Offering Record and takes it and the funds collected to the office administrator in the Chaplain's Office on Monday. The office administrator recounts the funds and signs the form. The Chaplain's Office then takes the deposits to the VMI Cashier. The office administrator maintains a notebook listing all monies collected in the Chaplain's Office including offerings and donations that came in at any time during the fiscal year. This notebook lists whom the donation is from and the date received. The office administrator will prepare a transmittal form and send it to the VMI Cashier at least weekly or the VMI Foundation if checks are made to the Foundation. If donations exceed \$50, then the Chaplain's Office shall make the deposit on the day it is received. The Chaplain's Office shall keep all cash and currency in a safe and secure location until the deposit is made. The VMI Cashier shall send the Chaplain's Office a receipt. The Chaplain's Office shall compare the transmittal forms and Colleague reports and retain the receipts in the Chaplain's Office.

30120 Approval of Fees

State law requires the Board of Visitors to establish and approve all tuition and fees. No member of the Institute community can establish such charges without authorization from the Board of Visitors.

30130 Collection of Fees

The Director of Finance and Budget is responsible for the collection of all tuition and fees. No faculty or staff member shall collect tuition, fees, or other revenue without prior approval from the Director of Finance and Budget.

30140 Change Funds

A change fund is established by means of a cash advance from the Finance and Budget Office. This is an advance to the department for the purpose of making change. Such advances must be made to the individual that will serve as the custodian of departmental advances and will be personally liable for the safekeeping of those funds. It is VMI's policy not to allow expenditures and check cashing from the change fund; therefore, the amount of the change fund shall remain constant. The department is responsible for the change funds at all times. The loss of these funds through neglect or lack of

security becomes the responsibility of the custodian receiving the change fund. Periodic audits of the change fund will be made by the VMI Cashier, no less than annually.

30150 Bank Accounts

No department or office is authorized to establish a bank account. The Director of Finance and Budget shall have custody of all Institute funds.

30160 Accountability of Funds

All State and Local funds shall be maintained separately to ensure proper accountability.

30170 State Treasurer's Cash Requirements

The Treasurer of the Commonwealth of Virginia requires VMI to deposit daily all state monies that it collects.

30210 Collecting Cash

Checks payable to the Institute shall be made payable to "Virginia Military Institute" or "VMI". Checks collected that are not made payable to VMI shall be endorsed over to VMI by the individual to whom the check was written. This endorsement shall appear on the reverse side of the check and read "Pay to VMI" and be signed by that individual.

30215 Check Cashing

The Bursar's Office cashes checks for cadets, faculty, and staff with proper identification (driver's license or other photo identification). All checks must be made payable to the individual and endorsed on the back. VMI will not cash checks payable to the Virginia Military Institute.

30220 Custody and Safekeeping of Cash

Department heads shall ensure that proper safeguards are taken to protect the Institute's funds until they are transmitted to the VMI Cashier. The following policies apply:

- ***Currency or coin shall never be transmitted through post mail.***
- ***Only one person shall have access to monies handled by a department or activity.***
- ***If large sums of money are on hand, then the person handling the money shall make arrangements for a VMI Police Officer to accompany the transmittal of the collections to the VMI Cashier's Office.***
- ***If monies are required to be held overnight by the department, then departmental personnel shall provide a secure storage facility for those funds.***

30230 End of Year Collections

For the Director of Finance and Budget to report revenue collections in the appropriate fiscal year, all departments shall promptly deposit cash collections from all Institute activities with the VMI Cashier at the end of the fiscal year, by 30 June (or the previous working day if 30 June falls on a weekend).

30240 Theft or Burglary

If any VMI personnel discovers a theft or burglary, or even suspects that one has been attempted, then you must follow the procedures below:

- ***Do not touch anything in the area.***
- ***Seal off the area.***
- ***Notify the VMI Police, Cashier, Bursar, and the reporting supervisor.***
- ***Do not disturb or examine any part of your office. You might destroy clues or significant evidence such as fingerprints or footprints.***

30250 Bad Check Collection

VMI accepts checks subject to acceptance by the maker's bank. It is the responsibility of the department receiving a bad check to collect the amount due from the maker. For any check that is

returned to the VMI Cashier by the bank as uncollectible, the Director of Finance and Budget shall charge the amount of the check to the department accepting said check.

30260 Counterfeit Currency

It is recommended that key cash collection points designated by the Finance and Budget Office undertake the following steps in order to reduce the risk of accepting counterfeit currency. VMI employee and volunteer safety is the utmost priority, and steps should be altered or avoided as necessary in support of staff security.

- DO NOT put yourself in danger.
- Utilize counterfeit pens to review large (\$50+) and/or suspicious bills.
- Retain any bills that do not pass the pen test (*unless the passer becomes aggressive and/or demands the note back*).
- Contact law enforcement. * Note the individual's description, vehicle, license plate number and direction of travel as able.
- Limit handling of retained currency and place in an envelope if possible. Provide to police upon arrival and notify the Bursar's Office immediately.

*VMI Police will respond if on Post or at the Jackson House. The New Market Battlefield is to notify local law enforcement.

30310 Payment Card General Information

The Payment Card Industry Data Security Standards (PCI-DSS) were established by the Security Standards Council and must be followed by all entities that accept payment cards, debit or credit, as a method of payment. The policies and procedures outlined below are provided to assure VMI complies with these standards.

30320 Payment Card Responsibilities

30321 Payment Card Departmental Responsibilities

- All locations accepting payment cards must obtain written authorization from the Director of Finance and Budget prior to implementing a payment card payment option.
- The Department Head must review, sign, and return the completed VMI Merchant Agreement (annual process) to the Finance and Budget Office.
- All departmental personnel involved in processing payment cards must complete the Payment Card Acceptance Training on an annual basis.
- Departmental personnel responsibilities must be clearly defined and documented within each authorized payment collection location, from the time of receipt to the time of deposit.
- Only a minimum number of employees should handle payments from receipt to deposit.
- All payment card receipts must be deposited on the day received or no later than the next business day, regardless of amount.
- Prepare the appropriate deposit forms and send to the Cashier daily. The Athletic Department will prepare its deposit for the bank and forward the appropriate forms for entry in Colleague.
- Never send unencrypted Payment Account Numbers (PAN) over the internet using end-user messaging technologies (for Example, Email, instant messaging, chat).
- Note: All payment handling procedures are subject to the review and/or audit by Finance and Budget Office staff or the Auditor of Public Accounts.

30322 Payment Card Finance and Budget Office Responsibilities

- Authorize departmental acceptance of payment cards as a method of payment.
- Provide departments with forms and instructions for the daily deposit of receipts.
- Schedule payment card acceptance training to VMI employees.
- Provide departments with the payment card invoice to verify and return to the Accounts Payable department within the Finance and Budget Office for payment.

30330 Payment Card Processing Procedures for Departments

- Complete and return the VMI Merchant Agreement (annually) to the Finance and Budget Office.
- Ensures appropriate security controls are in place related to payment card transactions:
 - All employees with access to payment card information have completed payment card acceptance training and VMI Payment Card Merchant Staff Terms of Agreement.
 - No customer payment card or personal information is stored on VMI Server or workstation hard drives.
 - All hard copy payment card information is stored in a secure location with a minimum number of employees having access.
 - All customer receipts show only truncated card numbers – the last four digits.
- Receives and secures monies from customers.
- Prepares and retains documentation supporting receipts and deposits.
- Deposits receipts daily using the appropriate deposit transmittal form to the VMI Cashier for input into the Colleague system.

Travel Regulations

Section 40000

40000 Introduction

Virginia Military Institute will reimburse individuals traveling on official Institute business for reasonable and necessary expenses incurred. The policies and procedures set forth herein regulate the travel activity of employees and, as appropriate, non-state employees affiliated with the Institute. ***VMI shall not make any reimbursement for expenses incurred by individuals unless he/she is on official business for the Institute. If a specific travel related issue is not addressed in these policies, the Commonwealth of Virginia CAPP Manual shall apply.***

Travel expense accounts are open to the public and must sustain the test of public review. The Institute relies on the honesty and integrity of those traveling to prevent excessive travel payments. Any falsification of payments is fraud, and the Institute must and will treat it as such.

40100 Authorization for Official Travel

Individuals traveling on official Institute business should submit to the Finance and Budget Office the VMI Travel Authorization Form at least ten days before departure. If the traveler desires the Institute to pay registration fees in advance of the event, the individual must submit the Travel Authorization to the Finance and Budget Office before the Institute may make said payment.

All travel over \$1000, regardless of the funding source, requires written authorization ***in advance*** by the appropriate program head. Finance and Support requires authorization from the Deputy Superintendent for F&S; Academics requires authorization from the Dean (and/or direct designee); Athletics requires authorization from the Director of Intercollegiate Athletics (and/or direct designee); Cadet Life requires authorization from the Commandant (and/or direct designee); and all IT travel must be authorized by the Chief Information Officer (and/or direct designee).

To ensure all travel meets the test of necessity, travel involving more than three employees from a single agency to a single travel destination must be approved ***in advance*** by the Superintendent or designee. This includes travel of presenters as well as attendees. Where it is determined that a seminar, workshop, or training program is essential to staff development for five or more employees the agency shall investigate the option of bringing the trainer on site instead of authorizing employees to travel to an offsite location. ***Persons traveling to the same event shall carpool whenever possible. Whenever multiple vehicles are driven to the same meeting, only one traveler will typically be reimbursed for mileage. Exceptions to this requirement must be approved by the Deputy Superintendent for Finance and Support.*** The use of video conferencing and conference calls, in lieu of in-person meetings, should be considered and utilized when offered.

When traveling internationally the following approvals must be obtained in advance, dated, and submitted with the travel voucher.

Faculty, staff, or employee
Superintendent

Superintendent or designee
Respective cabinet secretary

To ensure all travel meets the test of necessity, travel involving more than three employees from a single agency to a single international travel destination must be approved in advance by the respective cabinet secretary.

40110 Completing the Travel Authorization

The traveler must complete the destination, departure and return times, and purpose of trip. If more than one person is traveling, the names of all persons included in the trip must be included. The method of travel, whether a State vehicle is available or a rental vehicle will be used, must be included. The

expense estimate shall include all anticipated expenses including airfare, state, personal or rental vehicle cost, lodging, prepaid registration, and any other associated costs.

40120 Travel Advance

Travel advances are issued for special circumstances only, such as travel involving a group of cadets. The travel advance amount shall not exceed the estimate of expenses and is issued for a maximum period of thirty days unless an exception is authorized by the Director of Finance and Budget. When determining the amount of advance, do not include expenses that are paid directly by the Institute such as airfare, state vehicle or registration fees paid in advance, or expenses that can be paid with the personal liability travel charge card.

Travel Advances are issued only after all other methods of travel planning have been exhausted and must be approved by the Director of Finance and Budget (or Assistant Director) and Accounts Payable. These methods include direct bill expenses such as lodging. Lodging and Transportation cannot be placed on the Small Purchase Charge Card.

If the entire advance is not used, the remaining balance must be submitted to the Finance and Budget Office immediately upon return. VMI reserves the right to deduct an advanced amount that has not been returned within 30 days after return from the payroll of the individual issued and responsible for the travel advance. VMI does not issue travel advances under \$100 or over \$500 without the written approval of the Director of Finance and Budget (or Assistant Director).

40130 Travel Charge Cards

VMI offers the Master Card Corporate Travel Card to any full-time academic and administrative faculty and staff member or classified employee based on the frequency of travel. The card is provided at no cost to VMI or the cardholder. It is to be used only for official Institute travel-related charges. Cardholders shall not use the travel card for purchases of supplies, materials, or other non-travel-related purposes. Non-travel-related purchases shall be made through the normal purchasing channels as defined in Section 90000 of this manual.

The card provides a convenient means for travelers to charge most travel related expenses including meals, car rentals, and lodging.

Using the Personal Liability Travel Card

VMI employees may use their Personal Liability Travel Card only for reimbursable travel related expenses incurred while conducting official Institute business. Personal expenses that cannot be reasonably separated from reimbursable expenses may be charged on the card. Personal expenses such as phone calls and spousal meals may be charged to the Travel Card; however, it is the cardholder's responsibility to pay for these charges with non-Institute personal funds within the payment terms specified by the charge card vendor.

The Cardholder may request a cash withdrawal option for the Travel Card which will not exceed 10% of the card's credit limit per month. Exceptions above this amount may be approved by the Director of Finance and Budget. Applicable fees for cash withdrawals from any Bank of America ATM or bank are 2.5% of the value of the transaction or \$5 (whichever is greater). If using an ATM or bank other than Bank of America, additional fees may apply.

Personal Liability Travel Card Billing

The travel card is issued in the cardholder's name. Payment of the card balance each month is the sole responsibility of the cardholder. VMI is not responsible for late fees and finance charges. Bank of America will suspend charge privileges or cancel a cardholder's account when any one of the following general conditions occurs:

- Employment of a cardholder is terminated
- There is a consistent delinquent payment history Note: The card will be permanently suspended if payment lapses over a 90-day period.
- The cardholder files bankruptcy

Reimbursement

The traveler must submit his/her travel expense reimbursement voucher in a timely manner to ensure that reimbursement is received in time to pay charge card bills within the time frame prescribed above. This timely submission is the responsibility of the traveler and not VMI. VMI shall not make travel expense reimbursements from charge card statements or charge receipts. The traveler shall comply with the regulations described herein when submitting the travel expense reimbursement voucher.

40140 Group Travel Cards

The Group Travel Card may only be requested by faculty, administrators, and athletic personnel when traveling with <https://www.gsa.gov/travel/plan-book/per-diem-rates/per-diem-rates-lookupadets>. It may not be used for business purposes unrelated to cadet travel. Examples for use of the Group Travel Card include field trips and athletic team travel.

In lieu of a cash advance, a group travel card may be requested from the Finance and Budget Office when the traveler will be paying expenses for numerous individuals. The Group Travel Card may be used to cover all travel-related expenses. Cash withdrawals are not permitted on this card.

An application for the Group Travel Card must be submitted to the Finance and Budget Office at least thirty days in advance of the trip. The Travel Card must be picked up no more than 7 days in advance of the trip in the Finance and Budget Office and returned within 14 days after the trip.

The Group Travel Card is paid directly by VMI and is administered in the same manner as the Small Purchase Charge Card (SPCC). It eliminates the need for Travel Reimbursement forms but requires that a Purchase Log be kept with all receipts and submitted to the Finance and Budget Office with the **monthly** statement at the close of each billing cycle. The assigned cardholder is responsible for obtaining the statement online and reconciling it against each month's receipts. The Department Head or designee must review and authorize the Purchase Log and associated documents prior to their submission to the Finance and Budget Office.

Cardholders are required to sign an additional agreement acknowledging that unauthorized expenses will become a personal liability and will be deducted from their pay unless other arrangements to recover the funds have been made. Cardholders must receive mandatory training on appropriate use initially before accepting the card and annually thereafter. Failure to complete this training will result in card suspension. For further requirements and training on the SPCC or to access required forms, please review Section 90000 of this manual.

40200 When to Submit a Travel Reimbursement Voucher

VMI employees traveling on official business shall submit the travel expense reimbursement voucher to seek reimbursement for expenses. The travel expense reimbursement voucher must be authorized for payment by the appropriate signatory and presented for payment within ten (10) business days after the traveler's return unless written justification is submitted with the reimbursement request.

The traveler's supervisor shall review and, if appropriate, approve the voucher. The Supervisor should submit the voucher to the Finance and Budget Office timely, preferably within three working days of receipt from the employee.

For non-state employees (i.e., candidates for employment, guest speakers, prospective students, etc.), the appropriate department head shall approve the voucher and submit it to the Finance and Budget Office following the criteria outlined throughout this policy.

40300 Checklist of Required Documentation

- An approved travel authorization (completed and approved prior to trip)
- Documentation of approved exceptions (e.g., travel to single destination by more than three employees, international travel, lodging rate exceptions, etc.)
- Original receipts for lodging
- Original receipts for group meals (list of participants required)

- Original receipts for registration fees
- Original receipts for transportation (public transportation, rental car, gas receipts for rental cars, and parking and toll receipts)
- Original receipts for gasoline or other expenses related to State vehicles when using a personal credit card or cash, with an attached explanation

40400 Checklist of Required Information on the Travel Reimbursement Voucher

- Traveler's address
- Personal vehicle use statement (when applicable)
- Mark box for State employee or non-state employee
- Signed & dated by traveler and traveler's supervisor
- Date and time of departure and return
- Complete columns 2 through 8 as needed, carry over totals
- List purpose of trip
- If a travel advance was obtained, enter amount received

Travelers seeking reimbursement of travel expenses shall submit the above on the State Travel Expense Reimbursement Voucher. If additional space is needed, use the State Travel Expense Reimbursement Voucher – Continuation Sheet. Obtain these forms from the VMI Portal under the forms directory.

40500 Transportation

Employees are expected to use the most economical means of transportation when travelling on Institute business. When travelling by automobile, employees must first seek a state-owned vehicle from the Physical Plant. If a state-owned vehicle is not available, the employee should obtain a rental vehicle through the Institute's Enterprise rental contract. An employee may opt to drive a personally owned vehicle with the understanding that they will only be reimbursed the Fleet Rate (\$0.246/mile).

40510 Personal Vehicle Use

The following policies pertain to vehicle use reimbursement:

- State-owned vehicles
- Enterprise rental car – daily rate + gasoline reimbursement with original receipts
- Personally owned vehicle – fleet rate – \$.246 per mile
- Personally owned vehicle – IRS rate – current rate may be found at: www.irs.gov.

Reimbursement at the higher IRS rate for use of a personal vehicle will be used if it is determined to be the most economical and/or in the best interest of the Institute. In order to seek reimbursement at the higher IRS rate, the Trip Calculator and Analysis must be attached to the Reimbursement Request Form.

Trip calculator

- Proceed to Commonwealth of Virginia-Office of Fleet Management Services (OFMS) [Trip Calculator](#).
- When the calculator opens, if the computer displays a box to enable macros, click "Enable Macros".
- In the calculator enter the traveler's name, agency 211, destination, estimated number of trip miles and the number of days travelling. The calculator will automatically compare the cost of obtaining an Enterprise car for the trip versus personal reimbursement at the current per mile rate.
- If personal reimbursement is the cheaper method, click on the "Print Form" button to print a copy of the calculation, which must be attached to the Reimbursement Request Form in order to be paid at the current IRS rate.

The number of miles traveled is to be entered in column three on the Travel Voucher. If a State-owned vehicle or Enterprise Rental is used, it is not necessary to enter miles traveled on the voucher. There may be situations in which travel by other modes of transportation is more cost effective than automobile. When travel is by automobile, the total travel expenses that will be reimbursed, including

meals and lodging while in transit, shall not exceed the cost of the most economical public air or rail transportation fare available.

Mileage Between Employee Residence and Base Point (VMI)

Such mileage incurred on a scheduled workday is commuting mileage. Commuting mileage and other commuting costs incurred on normal workdays are a personal expense and are not reimbursable. If an employee incurs such mileage when required to work on a Saturday, Sunday, or holiday that is not a scheduled work day, VMI may elect to reimburse this expense.

Mileage Between Employee Residence and Common Carrier Terminal

When round-trip mileage is incurred in connection with one-way transportation to or from a terminal, mileage incurred is reimbursable to the extent it does not exceed the usual one-way taxi fare. When mileage is incurred for two one-way trips in connection with travel to and from a terminal, mileage and parking fees are reimbursable to the extent they do not exceed the cost of two one-way taxi fares.

40520 State Vehicle Use

If the traveler uses a State-owned vehicle, the traveler shall obtain all fuel using the state fuel charge card provided with each vehicle whenever possible. In the event the state card is not accepted, the traveler may use his/her personal credit card or cash to pay for the fuel; however, the traveler must attach a justification along with the receipt to the Travel Voucher. The following information should be on all gasoline receipts:

- Total number of gallons of gasoline purchased
- Units of oil purchased and cost for same
- Brief but adequate description of any other maintenance performed on the vehicle and the related costs

The traveler shall use self-service pumps and regular unleaded fuel.

40530 Enterprise Vehicle Rentals

When renting a vehicle, travelers shall ***select the most economical rental automobile*** available to meet the travel requirements from Enterprise.

The procurement contract with Enterprise Rent-A-Car is to be used for all local vehicle rentals. When submitting the Travel Voucher, list the type of car rented (Economy, Compact, etc.) in the "description" column and list any gasoline purchases under "other expenses" (column 8). Attach car rental and gasoline receipts. Travelers shall refuel rental vehicles prior to returning the vehicle(s) to the rental car vendor in accordance with the terms of the contract (more economical than vendor provided fuel). VMI will not reimburse travelers for rental vendor refueling charges.

VMI employees shall decline the option to purchase insurance offered by rental car contractors. VMI will not reimburse employees for this expense. The Department of General Services Division of Risk Management provides a Statewide Self-Insured Automobile plan for State employees. If travel is outside of the territorial United States (territorial U.S. includes Canada and Puerto Rico) and involves a rental vehicle, employees are required to purchase the Liability Damage Waiver and Collision Damage Waiver insurance and these expenses will be reimbursed. No other types of insurance will be reimbursed.

When renting a vehicle, travelers shall select the most economical rental automobile contractor available.

40540 Parking and Tolls

List the name of the facility (bridge, tunnel, or turnpike) on the travel voucher and the amount(s) itemized under "Other Expense". VMI requires receipts when the cost exceeds \$10 and may not make a reimbursement without such a receipt.

40550 Public Transportation

Receipts are required for public transportation (bus, taxi, shuttle, etc.). Attach receipts to the Travel Voucher.

40560 Airline and Rail Travel

Airline and Rail tickets may be obtained by using the services of a travel agency, internet travel services web sites, or directly from the airline or rail service provider. When airline or rail tickets are purchased, one of the payment alternatives listed below must be used.

1. **Travel Charge Card** - Airline tickets may be purchased using the traveler's travel charge card; however, reimbursement cannot be made from state funds until after the trip has occurred. In the case of local funds, reimbursement may be made prior to the trip if appropriately approved.
2. **Personal Charge Card** - Airline tickets may be purchased using the traveler's personal charge card; however, reimbursement cannot be made from state funds until after the trip has occurred. In the case of local funds, reimbursement may be made prior to the trip if appropriately approved.
3. **Agency Travel Card** - The agency travel card is a direct billed card maintained in the Finance and Budget Office. This card is used only for payment of airline tickets purchased through a travel agency.

40570 Airline and Rail Travel – Required Procedures

In addition to the policies outlined above, purchases of travel services through internet sources must adhere to additional guidelines. Usage of the internet to procure travel services is permitted. Travelers must use prudent judgment when choosing an internet travel service site. Suggested sites include but are not limited to:

- Priceline.com
- Expedia.com
- Orbitz.com
- Travelocity.com

In addition to other documents required by policy, the following must be submitted with the travel reimbursement voucher when procuring travel services via the internet:

- Hardcopy final page from internet site showing total cost and confirmed service
- Airline confirmation (either ticket stub or boarding pass) of the type of ticket purchases (e.g., coach class)
- Boarding passes are required for all air and rail reimbursements made directly to the traveler.

40600 Lodging

Lodging expenses vary with the area traveled but all expenditures shall be necessary and reasonable. Travelers shall always request government rates at the time reservations are made and confirm the rate during check-in. Travelers may use the services of a travel agency to ensure the most economical lodging accommodations are obtained.

All travelers seeking reimbursement from VMI for lodging expenses shall submit supporting original hotel receipts (which are itemized and show a zero balance at check-out) with the travel voucher and shall fully explain any unusual charges.

VMI may pay higher lodging amounts for stays in hotels, when justified, such as hotels serving as conference sites; however, the Superintendent or his designee shall approve such exceptions in advance of travel. To obtain such an exception, the traveler must submit a Lodging Exception Form to the Finance and Budget Office well in advance of travel. Such exceptions are limited to 50 percent in excess of the applicable guideline amount. The Lodging Exception Form may be located within the VMI Portal.

The traveler must list each day's lodging amounts separately in column 7 on the Travel Expense Reimbursement Voucher; other hotel charges (e.g., business phone calls, parking, etc.) must be listed in the appropriate columns.

Reimbursement for the use of Airbnb or similar lodging alternatives for official VMI business travel is not permitted. Although Airbnb may be a less expensive alternative to hotel/motel lodging in some cases, the safety of travelers is a concern. With reputable hotels/motels, there is an expectation of safety within the structure, whereas there is no guarantee of minimum safety requirements being met with Airbnb and similar alternatives.

All lodging rates are governed by the U.S. General Services Administration (GSA). The traveler must search for the travel destination using the search criteria on the website:

GSA Per Diem Rates Look-Up

****NOTE:** The travel destination or lodging destination is the city/county in which the hotel is physically located. The hotel's mailing address should not be used for verification of city/county. If the hotel is not within the city limits, the county in which it is located should be used for lodging rates. If a location is not listed in the GSA table, the standard rate applies.

Certain foreign travel destinations may justify higher amounts. Contact the Finance and Budget Office to obtain travel information concerning the reimbursable cost of foreign travel.

40710 Meal Reimbursement Policy for Overnight Business Travel

VMI shall reimburse meal and certain other incidental travel expenses for overnight travel. The traveler may be reimbursed for such expenses (including all related taxes and tips) based on a fixed allowance. The fixed allowance is referred to as the meals and incidental expense (M&IE) per diem. Employees may request reimbursement based on actual meal expenses incurred provided the amounts do not exceed the daily M&IE per diem amounts. VMI does not permit the traveler to directly bill VMI for meal expenses. VMI will pay the M&IE per diem directly to the traveler only even when one traveler incurred the expenses on behalf of another. The M&IE per diem used by VMI shall correspond to the location of the traveler's related overnight lodging. The applicable M&IE per diem, or fraction thereof, is payable to the traveler without itemization of meal expenses or receipts.

The M&IE Rates located at the link below provide individual meal reimbursement amounts. These rates should be used to determine the maximum meal reimbursement amounts for official business meals and/or the M&IE reduction.

<http://www.gsa.gov/portal/content/101518> <https://www.gsa.gov/travel/plan-book/per-diem-rates>

The M&IE must be reduced for the applicable meal when meals are provided at no cost during an overnight travel period. Refer to the Prorations and Reductions section for additional guidance. The M&IE Rates listed on the website include amounts for the 75% travel days. The M&IE Rates should be used unless a traveler needs to make an adjustment for provided meals as noted in the Prorations and Reductions Section.

M&IE Prorations and Reductions

The following link should be used to calculate prorations and deductions for meal per diems:

<http://www.gsa.gov/portal/content/101518> <https://www.gsa.gov/travel/plan-book/per-diem-rates>

On a travel departure or return day, 75% of the M&IE rate is reimbursed. For trips involving multiple travel destinations, base the reduction rate in effect for where the night was spent as follows:

Departure Day – Where you spend the night.

Return Day – Where you spent the night before returning to home base.

When meals are provided at no cost in conjunction with travel events, the applicable M&IE rate shall be reduced by the amount shown for the applicable meal in the M&IE Rate Table. For example, if the M&IE rate allows a \$51 total reimbursement, and lunch was provided at no cost, the total allowable reimbursement for that day would be \$39 (\$51 - \$12 lunch).

However, when meals are provided at no cost in conjunction with travel events on a travel departure or return day, the full M&IE rate is reduced by the full amount of the appropriate meals followed by a 75% prorating of the balance. For example, if the M&IE rate allows a \$51 total reimbursement, and lunch was provided at no cost on a travel departure or return day, the total allowable reimbursement for that day would be \$29.25 [(\$51 - \$12 lunch = \$39) \$39 * .75 = \$29.25].

Incidental Travel Expenses Covered by the M&IE Per Diem

The incidentals portion of the M&IE per diem rate covers expenses such as service fees or tips (including but not limited to bellhops, skycaps, maids, waiters/waitresses, taxi, and limousine drivers), laundry expenses, personal telephone calls, and transportation between places of lodging or business and places where meals are taken are included in the M&IE rate. VMI will not separately reimburse the traveler for these types of expenses.

40720 Reimbursement Policy for Overtime and Official Business Meals

VMI generally does not reimburse individuals for meal expenses not involving an overnight stay. VMI may make such reimbursement if the traveler submits to the Director of Finance and Budget documentation that clearly establishes that the meal was for official business reasons or taken during official overtime work. With the Board of Visitors adoption of this Manual, the Board of Visitors hereby delegates to the Director of Finance and Budget the authority to make such determinations. To be eligible for reimbursement of this expense, the individual seeking reimbursement must demonstrate that such meals are essential to the Institute's mission and are a business necessity. Employees shall pay for the meal and submit to the Director of Finance and Budget a Travel Expense Reimbursement Voucher. The traveler or VMI employee shall not direct the restaurant to directly bill VMI for meals.

Overtime Meals

In addition to the general requirements established above for non-overnight meals, the overtime work periods in which meals are purchased shall be required by VMI. Overtime work periods may include extended work hours due to non-overnight travel. To be eligible for overtime meals required in conjunction with non-overnight travel, the traveler shall, out of business necessity, leave home before 6:00 a.m. (for breakfast) and be unable to return home before 7:00 p.m. (for dinner). Lunch meal expenses are not reimbursable under the provisions of the overtime meal reimbursement policy. Authorized overtime meals may be reimbursed up to the amount shown on the overtime meal guidelines available in the VMI Portal. An overtime meal allowance based on the number of hours worked is considered taxable wages and must be recorded as such in the payroll records.

Official Business Meals

In addition to the general requirements established above for non-overnight meals, official business meals shall also involve substantive and bona fide business discussion and include the original itemized receipt. Business meal reimbursements must be approved by the respective signatory authority. Authorized official business meals may be reimbursed based on actual costs incurred up to the amount shown for the applicable meal in the M&IE Rate Table. The M&IE rate used shall correspond to the location in which the official business meal was taken. VMI may pay for a higher meal amount 1.5 times above the applicable meal rate when exception is requested prior to the meal. The Meal Exception Form may be found within the VMI Portal.

40800 Other Expenses

40810 Gratuities (Tips)

Gratuities are not reimbursable as they are included in the prescribed M&IE per diem amounts. Where VMI reimburses the actual meal costs under the non-overnight travel meal reimbursement policy, meal

tips are reimbursable within the applicable meal rate. Meal tips shall not exceed 15% of the bill's pre-tax subtotal, NOT the total including taxes.

40820 Registration Fees

VMI may reimburse individuals for attendance at functions related to Institute business when the individual is expected to attend due to the nature of his/her position. Receipts are required for reimbursement. If registration was paid in advance by the Institute, do not include such costs on the Travel Reimbursement Voucher. Travelers are strongly encouraged to coordinate with their departmental SPCC cardholder in order to pay these fees in advance of the trip.

40830 Telephone Calls, Internet Services and Facsimiles

The traveler may claim reimbursement for business-related calls on the Travel Voucher. For long distance calls, the traveler shall submit the location, person, and reason for the call with the Travel Voucher.

40900 Non-reimbursable Expenses

VMI shall not reimburse individuals for the following:

- Lost or stolen articles
- Alcoholic beverages
- Excessive meals and lodging
- Damage to personal vehicles, clothing, or other items
- Services to gain entry to a locked vehicle
- Movies or cable television programming charged to hotel bills
- Any expenses related to the personal negligence of the traveler, such as fines
- Entertainment expenses
- Towing charges for personal vehicles
- Expenses for children, spouses, companions, or friends of state employees

The above is not intended to be all inclusive. ***Exceptions to the policies described above may be granted by the Superintendent (or Designee). Justification must be provided and authorization obtained beforehand.***

40950 Travel Credits

Travel credits, reduced rates, or free services received from public facilities (examples: airline, car rental agencies, motels, etc.) by individuals for whatever reason accrue to the Commonwealth (VMI) per topic 20335 of Virginia's CAPP Manual. Any such credit, reduced rate, or free service must be deducted from the amount of travel expenses claimed and/or used for future official business travel.

41000 Travel Charge Cards

VMI offers the Master Card Corporate Travel Card to all full-time academic and administrative faculty. VMI offers classified employees the card based on frequency of travel. The card is provided at no cost to VMI or the cardmember. The travel card is to be used **only** for official Institute **travel related** charges. Cardholders shall not use the travel card for purchases of supplies, materials, or for other non-travel related purposes. Non-travel related purchases shall be made through the normal purchasing channels such as with the SPCC, Purchase Order, etc.

The card provides a convenient means for travelers to charge most travel related expenses including meals, car rentals, and lodging. VMI may provide cash advances to those employees that are not offered the opportunity to participate in the card program or when responsible for expenses of cadets traveling with them.

41010 Billing

The travel card is issued in the cardmember's name. Payment of the card balance each month is the sole responsibility of the cardmember. VMI is not responsible for late fees and finance charges.

MasterCard will suspend charge privileges or cancel a cardmember's account when any one of the following general conditions occur:

- Employment of a cardmember is terminated
- There is a consistent delinquent payment history Note: MasterCard will cancel a card permanently if payment lapses over a 90-day period.
- The cardmember files bankruptcy

41020 Using the Travel Card

VMI employees may use the charge card only for reimbursable travel related expenses incurred while conducting official Institute business. Personal expenses that cannot be reasonably separated from reimbursable expenses may be charged on the card. Examples include a personal phone call included in a lodging bill or a spouse's dinner included in a restaurant bill. Although such personal expenses may be charged to the card, it is the cardmember's responsibility to pay for these charges from personal funds within the payment terms specified by the charge card vendor.

41030 Reimbursement

The traveler must submit his/her travel expense reimbursement voucher in a timely manner to ensure that reimbursement is received in time to pay charge card bills within the time frame prescribed above. This timely submission is the responsibility of the traveler and not VMI. VMI shall not make travel expense reimbursements from charge card statements or charge receipts. The traveler shall comply with the regulations described herein when submitting the travel expense reimbursement voucher.

41100 Electronic Data Interchange (EDI)

The Commonwealth of Virginia uses a system called Financial Electronic Data Interchange (EDI) instead of issuing checks whereby employees are reimbursed electronically. The EDI program transfers the payment from the Commonwealth's bank account to the designated employee's account. This provides funds quicker than by paper check as mailing time is eliminated. The Commonwealth of Virginia charges the Institute \$5 each time a travel reimbursement is paid by check to an employee. Employees are required to enroll in the Commonwealth's EDI program. Failure to enroll in the EDI program may result in the transfer of this charge to the employee being reimbursed. Currently, this applies only to state funded reimbursements – it does not affect local fund reimbursements which are still made by check. For additional information and enrollment in the EDI program, please contact the Finance and Budget Office.

41110 Remittance Electronic Data Interchange (REDI)

The Remittance Electronic Data Interchange (REDI) Virginia website is an online system that allows employees enrolled in the EDI program to view remittance data for payments that are processed via electronic data interchange. For additional information on this program please refer to the Procedures to Enroll in REDI or the Finance and Budget Office.

Disbursements

Section 45000

45100 Disbursement Policies

It is VMI's policy to require the highest standards of stewardship and accountability in the expenditure, disbursement, and control of all funds in its custody, regardless of the source of funding. State laws and regulations, to include the state procurement and conflict of interest laws as well as VMI policies govern the expenditure of all VMI funds, regardless of source. Disbursements of funds must be made in a manner that meets the 30-day payment requirements of the Prompt Payment Act, thus departments must timely submit disbursement requests to the Finance and Budget Office.

Accounts from which disbursements are made are typically categorized as state or local, depending on their funding source. ***Departments are responsible for adherence to applicable restrictions placed on their accounts. All expenditures and their resulting disbursements, regardless of source of funds, shall be reasonable and for official business purposes related to VMI's mission.*** VMI will not pay for any purchases or expenses that are not mission related or that do not comply with all applicable laws and policies.

State funded accounts are those funds that are held by the Treasurer of Virginia. Local funded accounts are those funds that are maintained in a local bank account administrated by the VMI Director of Finance and Budget. State and Local funded accounts are identified as follows:

State Accounts

1X-XX-XXX-XXXXX-XXXX

2X-XX-XXX-XXXXX-XXXX

Local Accounts

3X-XX-XXX-XXXXX-XXXX

4X-XX-XXX-XXXXX-XXXX

Procedures for processing disbursements are the same for state-funded and local-funded accounts.

Certain types of expenditures are not allowed from any VMI funds. Examples include, but are not limited to, the following:

- ***Alcoholic beverages (with the exception below)***
- ***Retirement parties***
- ***Office holiday decorations and parties***
- ***Non-corporate flowers and gifts (i.e., flowers or gifts not presented on behalf of the Institute)***
- ***Political contributions***
- ***Personal items of any type, to include lost or damaged personal property***
- ***Snacks or refreshments for employees***
- ***Personal fines and penalties***

Local funds may be used to purchase alcoholic beverages for functions that are official business of the Institute and that are related to its mission. These official business determinations shall be made prior to the purchase.

Certain expenditures require special approval prior to making the expenditure and resulting disbursement. Contact the appropriate office prior to incurring obligations related to the following:

Moving and relocation expenses - Human Resources Office

Cellular phones and related service charges - Information Technology
Attorney's fees (Requires prior approval of the Office of the Attorney General) - Deputy
Superintendent for Finance and Support
Purchase of alcoholic beverages - Superintendent's Office (Chief of Staff) and/or Superintendent
Designee

Purchases and disbursements must be approved by an authorized employee. Authorized employees are documented by completing an Authorized Signatures form. These forms are available in the Finance and Budget Office and shall be completed for each separate Colleague account maintained by the department. A new form shall be completed when personnel changes make old forms obsolete. Please take special note – by executing the payment voucher, the employee certifies the goods or services provided are for official business of the Institute and relate to its mission.

Exceptions to the policies described above may be granted by the Superintendent or the Deputy Superintendent for Finance and Support. Justification must be provided and authorization obtained in advance.

Contact the Finance and Budget Office with any questions related to VMI's disbursement policies.

45200 Disbursement Procedures

The following sections provide disbursement procedures.

45210 Payments to Vendors – Pro Forma

Pro Forma purchases are those where the vendor requires payment prior to shipping goods or providing services. Common examples of Pro Forma purchases include subscriptions, postage for bulk mailing, membership dues, and conference registrations. **The Small Purchases Charge Card is the preferred method for making pro forma purchases. In the event the charge card is not accepted, departments shall use the Receiving Report/Request for Disbursement form to initiate payment for Pro Forma purchases.** You must complete this form as per available instructions. The department shall include the federal taxpayer identification number of the vendor on the form. Failure to provide this number will result in a delay in processing payment.

45220 Payments to Vendors – Purchase Orders

Departments shall use the VMI Receiving Report/Request for Disbursement Form to initiate payments for purchases made with a Purchase Order. An authorized employee shall sign this form. You must submit the completed form within five days of receipt of goods or services to the Finance and Budget Office.

When partial shipments are made, the department shall complete the receiving report only for those goods and services actually received. You must complete the form similar to the instructions above. When final shipment is made, you must complete another receiving report as described above to initiate final payment and forward it to the Finance and Budget Office within five days of receipt of goods or services.

45300 Small Purchases Charge Card

The Bank of America Visa Small Purchases Charge Card is used by departments for small dollar, repetitive purchases from participating vendors. **The purchasing card is issued and regulated by the Procurement Services. Departments shall contact Procurement Services to request a purchasing card.**

The purchasing card allows cardholders to make small dollar purchases without obtaining separate Procurement Services Office approval for each transaction. Cardholders may use the purchasing card to purchase supplies, equipment, and contractual services.

The Institute receives one monthly invoice from Bank of America Visa; therefore, it shall make one payment to Bank of America Visa each month. Departments are responsible, as described below, for

logging all purchases and reconciling their individual monthly statement. Without exception, all purchases made with the card are subject to all rules and regulations that govern the Institute's purchases.

Purchases Log

In order to verify the accuracy of billing statements received from Bank of America Visa, departments shall maintain an accurate log of purchases made with the department's purchasing card. The department shall maintain the log in the manner prescribed by Procurement Services.

As each purchase is made, you must record the purchase in the log. ***You must include all required information as noted on the log to include date of purchase, vendor name, description, object code to be charged, amount, eVA processing, etc.***

Payment Cover Sheet

The monthly billing cycle cutoff is on or about the 15th of the month. ***At the end of each billing cycle, each cardholder shall reconcile their charges for the cycle. The cardholder shall upload support (invoice, packing slips, credit receipts, etc.) into Bank of America (BOA) Works for each individual transaction.***

Departments shall reconcile any discrepancies in BOA Works. If you need to return an item for any reason, you shall send the item back to the vendor in the manner agreed upon. Credits for returned items may not appear on the current statement but shall appear on subsequent statements. If a cardholder and vendor cannot resolve a dispute, the department shall contact Procurement Services.

After each transaction in BOA Works is reconciled, the cardholder's supervisor shall electronically approve each transaction in BOA Works.

Payroll

Section 50000

This section explains the Institute's payroll procedures. The Human Resources Department is responsible for all personnel policies, hiring procedures, termination procedures, leave accounting, retirement matters and insurance information.

50110 Payment Distribution

VMI shall pay all of its employees on the 1st and 16th of each month. If the 1st or 16th falls on a Saturday, Sunday, or a holiday, then payday will be the last previous working day. Earnings statements for employees are delivered via PostView; employees without PostView access may request written copies from Payroll. Checks for employees not yet on direct deposit may be picked up by the employee or are mailed to the employee's home address.

50120 Electronic Direct Deposit

Electronic direct deposit is mandatory for all employees. Payroll checks may be issued for one to two pay cycles to new employees or employees changing banks.

Employees may utilize up to four separate fixed direct deposit accounts in addition to their regular direct deposit account. The fixed direct deposits may be at different financial institutions from the regular direct deposit account. ***Employees shall notify the payroll section immediately of changes to their financial institution or account number and shall complete a new Employee Direct Deposit Authorization Form in Softdocs Etrieve.*** Paper copies are available in the Human Resources and Payroll offices. HR and Payroll staff will verify the authenticity of direct deposit forms by requesting IDs or calling the employees.

50130 New Employees

New employees shall complete Form W-4, Form VA-4, and the Employee Electronic Direct Deposit Authorization Form and submit them to Human Resources or the Payroll Office. New full-time employees shall also complete all benefit forms at the Human Resource Office.

50140 Hourly Employee Timesheets

Departments shall scan hourly employees' timesheets to the payroll staff by the due dates to ensure timely payments. Timesheets are due by 1700 hours on the second business day after the end of the pay period. Pay periods run from the 1st through the 15th and the 16th through the end of each month. The payday for hours worked the 1st through the 15th will be the 1st of the following month, and the payday for hours worked the 16th through the end of the month will be the 16th of the following month.

Timesheets must reflect actual hours worked and should not include estimated hours. Hours shall be recorded in quarter-hour increments (.25, .5, .75). Timesheets are due in the Payroll Office by 1700 hours on the second business day after the end of the pay period. ***The departments shall prepare the timesheets in ink; furthermore, both the employee and his/her supervisor shall sign the timesheet in ink. If any changes are made to a timesheet, both the employee and the supervisor must initial the correction.*** Failure to follow these procedures may result in a delay in payment.

Cadets are paid on the same schedule as other hourly employees. All cadet timesheets shall be submitted directly to the Payroll Office.

50150 Payroll Changes

Payrolls are scheduled to allow adequate time for processing. *Employees requesting changes to miscellaneous deductions, tax forms, or direct deposit forms shall submit the changes directly to the Payroll Office by the 1st of the month for the 1st through the 15th payroll and by the 16th of the month for the 16th through the 31st payroll. Employees initiating or changing tax shelter deductions shall submit the appropriate form to Human Resources. The Director of Auxiliary Services shall approve all post housing rent notices and changes before any change can be made in payroll.*

Human Resources shall notify the Payroll Office of any time loss, code changes, pay increases or decreases that may affect an employee during a given pay period. In some cases of time loss when the employee is not working, VMI will hold the paycheck or stop the direct deposit and pay the employee the actual amount due for completed hours.

50210 Miscellaneous Payroll Deductions

The payroll system allows VMI to withhold miscellaneous payroll deductions from employees' pay and distribute them to the proper vendors. The following is a list of current payroll deductions:

Pre-Tax Deductions

- Flex Fees
- Flex Dependent
- Flex Medical
- Health Insurance
- Retirement

Tax Sheltered Annuities

- Commonwealth of Virginia Deferred Compensation Plan
- AXA-Equitable
- TIAA (Teachers Insurance and Annuity Association)
- VALIC (Variable Annuity Life Insurance Company)

After Tax Deductions

- AFLAC Insurance
- Child Support Fees
- Combined Virginia Campaign
- Garnishments, Liens, and Fees
- Reliance Disability Insurance
- Rent (Post Housing Only)
- Roth (Commonwealth of Virginia 457 Plan)
- Virginia Governmental Employees Association
- VMI Foundation
- VMI Keydet Club
- VRS Optional Life Insurance

50220 W-2 Information

W-2 forms are required by law to be distributed by 31 January of each year. Employees may choose to receive their W-2 form electronically on PostView or by mail to their home address.

Restricted Funds Accounting

Section 60000

60100 Restricted Funds Accounting Policies

Restricted funds derive from gifts, grants, and contracts received by the Institute for operating purposes but restricted by donors, grantors, and outside agencies as to the specific purpose for which the funds may be expended. ***The department authorized to use the funds has the responsibility for monitoring expenditures from restricted funds.***

60110 Control Over Restricted Funds

Funds received for restricted purposes are separately accounted for in accordance with generally accepted accounting principles. The Finance and Budget Office shall periodically review the restricted fund accounts to ensure that they are being administered properly.

60120 Determination of Restricted Funds

The Finance and Budget Office, in consultation with The VMI Foundation, Inc. and the Auditor of Public Accounts, are responsible for determining whether gifts, grants and contracts received by the Institute are to be accounted for as restricted current funds.

60130 Budgeting Restricted Funds

Procedures for budgeting restricted funds are established in accordance with budgeting policies and procedures.

60200 Restrictions on Restricted Funds

Grant and contract awards are obtained from various governmental and private agencies for restricted purposes. VMI's grants and contracts are either Federal or State funded. The Institute has a separate organization, the VMI Research Laboratories, Inc. (VMIRL), that handles the administration of the majority of the grants and contracts awarded the Institute. This Manual does not address those grants and contracts that are the responsibility of VMIRL.

The restrictions on restricted fund accounts may be detailed or general, allowing allocation of the funds to specific projects. For example, an endowment may be established in which the annual proceeds are to be used to support professional chairs in engineering. When the distribution is made, the proceeds may be deposited specifically with Civil Engineering, Electrical Engineering or Mechanical Engineering. All distributions from restricted accounts shall be in accordance with donor specifications and restrictions.

60210 Review of Restricted Fund Accounts

Restricted accounts are continually reviewed by the Finance and Budget Office and annually reviewed by the Auditor of Public Accounts to determine that the donor's restrictions are being observed. However, the primary responsibility for restricted funds is with the department using the funds.

60310 Receipts of Restricted Funds

VMI shall process restricted funds received from all sources including gifts, grants, contracts, and endowments in accordance with the cash receipts procedures in Section 30000 of this manual. The VMI Bursar shall credit the applicable restricted accounts in the General Ledger for such income. Restricted accounts, which are part of the VMI endowment, including the scholarship and awards accounts, will be posted with interest income quarterly. The amount of interest each account receives is based upon the number of units the account holds relative to the total number of units in the pool.

60320 Expenditures of Restricted Funds

Departments shall process the expenditures of restricted funds in accordance with purchasing procedures, as outlined in the Section 90000 of this manual and disbursement procedures as outlined in this manual (Section 45000). It is the responsibility of the account Budget Officer to monitor and control

expenditures so that the funds are available for the duration of the budget period. Departments shall review all expenditures reported on YTD Budget Reports to ensure that charges are accurately posted.

60400 Reporting of Restricted Funds

External reporting of restricted funds is performed as requested by the donor or sponsor. The Finance and Budget Office has the responsibility for filing timely financial reports concerning grant and contract awards with the appropriate sponsoring agencies. All reports require the signature of the Director of Finance and Budget before they can be released. Financial information to be included in external reports shall be available from the Colleague Finance Accounting System.

Budget Policies

Section 65000

65100 Adoption of Annual Operating Budget

By 30 May of each year, the Board of Visitors shall adopt an annual operating budget (the "Budget") setting forth the revenues and expenditures for Virginia Military Institute for the upcoming fiscal year. The Budget shall reflect revenues and expenditures by operating programs consistent with the State's budgeting system and include the total budgeted revenues and expenditures for all programs. The Budget shall be the Institute's spending plan for said fiscal year. Actual spending shall not exceed the total budgeted expenditures or the revenues available to support such spending.

65200 Budget Amendments

The Board of Visitors may amend the Budget during the fiscal year for unanticipated revenues and for increases to budgeted expenditures as considered necessary.

65300 Maximum Employment Level

The Budget shall establish the number of full-time positions that are budgeted for the fiscal year. This becomes the maximum employment level (MEL). If it becomes necessary to hire a person or persons above the MEL, then the Superintendent may hire such person(s) on a temporary basis for a period not to exceed 120 days. Such hires are subject to the availability of funding within the Budget and their employment will expire at the end of 120 days unless the Board subsequently approves an amendment to the Budget that increases the MEL accordingly.

65400 Budget Transfers

The Superintendent and the Deputy Superintendent of Finance and Support are authorized to make budget transfers within operating programs and between operating programs subject to State laws and regulations and the restrictions placed on funds or otherwise placed on this authority by the terms of the Budget. The Superintendent and the Deputy Superintendent of Finance and Support may delegate this authority to others.

65500 Budget Performance Reports

The Administration shall provide Budget Performance Reports to the Audit, Finance and Planning Committee at each meeting of the Board. The reports shall compare actual to budgeted revenues and expenditures and explain significant differences.

Cadet Accounting Policies and Processes

Section 70000

70100 Payment Policies

Unless stated otherwise in the annual operating budget adopted by the Board of Visitors, cadets shall pay all applicable fees as of 1 August for the first semester and 15 December for the second semester. VMI shall assess a late fee of \$100 or 10% of the unpaid balance, if less, for failure to pay tuition, fees, and deposits by the due date.

VMI may dismiss cadets from the Institute for failure to pay tuition and fees or any other financial obligation to the Institute as required. In addition, the Institute reserves the right to hold grades, credits, transcripts, and diplomas until all financial obligations to the Institute have been satisfied. Cadets shall satisfy all financial obligations to the Institute for past semesters or terms before they are allowed to register for any succeeding semester or term.

The Board of Visitors reserves the right to change tuition and fees at any time as economic conditions warrant.

70110 Refund Policy

Tuition and fees are refundable in part only upon official notice of withdrawal to the Commandant. VMI shall make full refunds, less \$1,000, for withdrawals prior to the first day of classes. If a cadet leaves before classes begin, no financial aid will be earned. On or after the first day of classes, VMI shall prorate the refund through the fifth week. VMI shall not make any refunds after the fifth week of classes. Once a cadet signs the matriculation book, they will be subject to the \$1,000 charge even if they leave the same day.

Cadets receiving Title IV financial aid will receive a refund in accordance with applicable federal laws. The Financial Aid department will calculate Title IV aid using the last day of classes. Cadet Accounting will calculate all other charges using the effective date on the special order.

Refunds within the first five weeks will be processed in accordance with a timeline of required check points before a refund can be issued. A special order is required, charges from other departments such as military store, infirmary and the library will also be required. Once all information is received and all applicable financial aid has been posted the refund process can move forward. Please allow 2-3 weeks after all information is received to process the closing statement, invoice, or refund.

If the cadet is leaving for active duty, refunds will be calculated using GO 3.

All refunds are made payable to the cadet and sent to the cadet's address of record, with the exception of refunds for Title IV PLUS Loans which are made to the borrower.

The Finance and Budget Office shall distribute the prorated refund schedule for both semesters on the VMI Website <https://www.vmi.edu/about/offices-a-z/finance-and-budget/cadet-accounting/refund-policy/>. Persons with questions pertaining to refund amounts should contact the Cadet Accounting Office at 540-464-7217.

70120 Appeals

VMI will make exceptions to the refund policy only in extraordinary circumstances. The Tuition and Late Fees Appeals Committee shall consider appeals for exceptions to the refund policy upon written request by the applicant to the Finance and Budget Office, no later than 90 days after the cadet's withdrawal from VMI, for tuition appeals or assessment of late fees and interest.

The Cadet Accounting Office shall not make any refunds until all issued military uniforms and equipment required to be turned in have been received in good condition by the Commandant and the Military Store. VMI shall charge cadets for issued military uniforms and equipment that are not returned as required.

70125 Promissory Notes

Promissory notes will be required of all cadets with a Nelnet Payment Plan or ROTC Scholarship.

Incoming cadets will be required to sign a promissory note for Federal loans in the Fall Semester only.

Upperclassmen will be allowed to sign a promissory note for outstanding tuition.

Promissory notes are to be signed by the cadet. If the cadet is under 18 a parent or guardian will also be required to sign the promissory note.

Promissory Notes will be due on October 15th for the Fall semester and February 15th for the Spring semester. If the promissory note has not been cleared by the dates listed then interest will be charged at 6.0% on all outstanding balances. This is a one-time charge.

70130 Summer School

With the adoption of this Manual, the Board of Visitors hereby delegates to the Deputy Superintendent for Finance and Support the authority to establish the refund policies for Summer School terms. The Summer School Director shall publish this policy in the Summer Session Catalogue.

Summer School students staying in Barracks will be assessed a \$100 deposit fee. This will not apply to cadets who have already paid the \$300 security deposit required of all incoming cadets.

70140 Proxy Access

Sharing your User ID and password is not authorized. Rather than sharing your User ID and password, cadets will be allowed to designate authorized proxy (formerly bill payer).

A proxy may access your billing information in Post View. Designate a proxy for financial functions only if someone other than yourself will need to view or pay the bill.

Note: Becoming a proxy does not authorize release of information either verbal or written (see FERPA release).

In accordance with the Family Educational Rights and Privacy Act (FERPA), cadets must designate authorized individuals who may be provided information from the Cadet Accounting and Financial Aid Offices. This new Student Release form became effective January 9, 2023.

The privacy of student records is protected by law. Virginia Military Institute is prohibited from providing certain information from your cadet records to a third party, including parents, such as grades, billing, tuition and fees assessments, financial aid, and other cadet record information.

The Institute must receive permission from you prior to releasing information from your educational record.

To set up a Student Records Release, please sign into your PostView account, select user options (left side of the screen) and Student Records Release. You can add a person/relationship and assign a PIN number for each person you authorize. Please be sure that the individuals you authorize know their PIN number as they will be required to provide it when requesting information.

This process is required annually and should not be confused with the FERPA form required by the Registrar for release of academic information. Also, this should not be confused with setting up a proxy.

- ✓ A proxy is someone you authorize to have electronic access to Post View and make payments on your account. This proxy does not give financial aid or cadet accounting permission to discuss your account with them.
- ✓ Persons listed on the Student Release Form may be provided cadet financial information in person or verbally over the phone.

Departmental Record Keeping

Section 75000

75000 Departmental Record Keeping

All Institute departments shall maintain a file of all their financial transactions. Departments shall keep separate files for each account. Departments shall conduct monthly reconciliations between departmental records and Colleague financial reports; this is an important part of the internal control over the Colleague Finance System.

75100 Departmental Reconciliation Procedures

As discussed in Section 25000, Financial Reports, department heads and Colleague budget officers have access to Entrinsik reports that will allow them to retrieve budget balances, encumbrance information as well as revenue and expense information for the accounts for which they are responsible. They can also create their own Entrinsik reports in a PDF format, or they can export these reports to Excel to allow further analysis of data.

Each department head and/or Colleague budget officer is responsible for reconciling the departmental records for each account for which they are responsible, to the Entrinsik reports they access or create from the data maintained in Colleague for that account. Transactions should be reviewed to verify amounts agree, data descriptions are correct, and vendor names are the same. Outstanding encumbrance balances should be reviewed to assure the correct amount is reflected. Additionally, department heads and/or Colleague budget officers must monitor the budget balance available to assure adequate funding exists to cover all remaining needs for the balance of the fiscal year.

For pool bond funded capital projects for which the Construction Office must use GCPay to submit, review and approve construction contractor's CO-12 forms, and architectural and engineering (A/E) invoices, it is incumbent upon the Director of Facilities Management to ensure invoices reflected in GCPay are processed for payment in the appropriate Colleague accounts.

For any errors or omissions noted during their review of account activity, the department head or Colleague budget officer shall contact the Institute Budget Officer or appropriate individuals within the Finance and Budget Office to make the appropriate corrections to their accounts. If you are unsure who to contact, you may e-mail your question to FinanceandBudget@vmi.edu and the appropriate personnel will respond.

75200 Departmental Record Retention

Departments shall keep the reports and documents concerning their financial activities for a period established by Institute, and by government regulations, in no case less than three years. Departments shall store those records not required for current operations, in a secure and accessible area. As described in Section 45000, Disbursements, all records related to small purchase charge cards shall be retained by the department for five years in accordance with state regulations.

All records are subject to examination by the Finance and Budget Office, the Auditor of Public Accounts and/or other entities as considered necessary.

Fixed Asset Accounting

Section 80000

80100 Overview of the Datatel Colleague Fixed Asset Module

The Datatel Colleague Fixed Assets Module is in place to ensure that fixed assets are acquired, controlled, accounted for and disposed of in the best interest of the Institute and in accordance with State policy.

A fixed asset is defined as Institute property of any kind that is complete in and of itself, does not lose its identity or become a component of another fixed asset, and is of a durable nature with an expected service life of more than one year.

Categories of fixed assets include land, buildings, equipment, and intangible assets. The policies and procedures in this section apply primarily to equipment.

80110 Land, Buildings, Equipment, and Intangible Assets

Capital assets include land, buildings and other improvements, library materials, equipment, infrastructure assets such as sidewalks, steam tunnels, and electrical and computer network cabling systems, and intangible assets. The Institute capitalizes construction costs that have a value or cost in excess of \$100,000 at the date of acquisition. Renovations in excess of \$100,000 are capitalized if they significantly extend the useful life of the existing asset. Expenses for major capital assets and improvements are capitalized (construction in progress) as projects are constructed. Routine repairs and maintenance are charged to operating expense in the year the expense is incurred. Interest expense relating to construction is capitalized net of interest income earned on resources set aside for this purpose. The costs of normal maintenance and repairs that do not add to an asset's value or materially extend its useful life are not capitalized.

The Institute capitalizes moveable equipment at a value or initial cost of \$5,000 or more and an estimated useful life in excess of two years. Buildings and equipment are stated at the appraised value or actual cost where determinable. Land is stated at cost. Library materials are valued using published average prices for library acquisitions.

Intangible assets are those assets that have no physical existence such as computer software, water rights, timber rights, patents, copyrights, and trademarks. Intangible assets that are developed or purchased, have a useful life of one or more years, and have an acquisition cost of \$100,000 or more will be capitalized under this policy.

Depreciation is computed using the straight-line method over the estimated useful life of the asset. Average useful lives by asset categories are listed below:

Buildings	50 years
Other improvements	10-30 years
Equipment	5-25 years
Library materials	10 years
Intangible assets	5 years to indefinite

Generally, the acquisition of land, land improvements, buildings and building improvement assets require the special approvals, authorizations, and appropriations of the Commonwealth of Virginia's capital outlay projects policies and procedures. These special procedures are necessary for all such acquisitions in excess of \$1,000,000 (or as amended by the Commonwealth) in compliance with the 2008 Acts of Assembly, Chapter 879, Section 4-4.01m.6.a. The Finance and Budget Office will review all of these project expenditures and uses the general contractor's "schedule of values" to determine how to capitalize these projects. Construction project costs are accumulated and reported in the "Construction-

In-Progress" asset category until the project is substantially complete and the related asset is put into service. The costs in the construction-in-progress account are reclassified into the various fixed asset categories as appropriate (buildings which includes building improvements, land improvements and equipment.) Buildings, land improvements and equipment are recorded in the Colleague Finance General Ledger. Land and construction-in-progress are not recorded in Colleague Finance; however, journal entries are prepared to update the general ledger with summary totals.

80120 Institute Owned Works of Art, Historical Treasures and Similar Assets

The Institute does not capitalize works of art, historical treasures, and similar assets. Such items are held for public exhibition, education, and/or research in the furtherance of public service rather than financial gain. Institute collections may be sold but the proceeds must be used for the acquisition of similar type Institute collections. Exceptions to this requirement must be pre-approved by the Deputy Superintendent for Finance and Support.

80200 Asset Acquisition

Equipment items that meet the criteria for inclusion in the Fixed Asset System can be acquired in the following ways:

- New Purchases
- Donations
- Transfer from other State Agencies

Departments are responsible for making sure the equipment information is reported to the Fixed Asset Accountant in the Finance and Budget Office using an equipment record form. All recordable assets should be reported to the Finance and Budget Office upon receipt and acceptance. For equipment purchases, title is considered to pass at the date the equipment is received. Similarly, for donated assets, title is considered to pass when the asset is available for use by the Institute and when the Institute assumes responsibility for maintaining the asset.

80210 New Purchases

New purchases must be recorded in the Fixed Asset System if the asset meets the capitalization criteria or if the Institute determines it is a controllable asset (i.e., an asset that does not meet the capitalization criteria but because of its nature is more susceptible to theft or abuse).

Equipment acquired with Equipment Trust Funds (Category I) must be recorded, regardless of the purchase amount, as these assets serve as collateral for the bonds sold to acquire them; however, Category I assets must cost \$500 or more and have a useful life of 3 years or more. Equipment acquired with state or local funds other than Equipment Trust Funds (Category II), will be recorded if the purchase price is \$2,000 or above. All computers will be recorded and tagged regardless of purchase cost.

It is the responsibility of departments as well as the property management personnel to ensure that all asset acquisitions are recorded at the proper amount. Documentation must be maintained in support of each asset amount assigned.

80220 Acquisition Cost

Acquisition cost includes the purchase price as well as cost incurred to place an asset in its intended location and in an operable condition. Such costs associated with an asset would include freight, transportation charges, and/or installation costs. Add any appropriate cost detailed above to the actual cost of the equipment.

Donated assets should be recorded in the Fixed Asset System if their fair market value is \$2,000 or more.

80300 Asset Classification

Assets with an expected useful life of greater than one year and a value or cost of \$5,000 or more at the date of acquisition are considered capitalizable assets.

Assets with an expected life of greater than one year and a value between \$2,000 and \$5,000 at the date of acquisition are considered controllable assets. As previously explained, equipment acquired with Equipment Trust Funds is entered into the fixed asset module even if its value is less than \$2,000. Certain other assets may be controlled when their value is less than \$2,000 if they are more susceptible to theft or abuse such as PC's, camera equipment or firearms.

80310 Components

Due care and diligence should be exercised in determining whether an item is a separate piece of equipment having its own recorded cost and description or is a component included as part of the cost and description of the overall asset. The majority of items fall into the first category.

A component part is a part of a unit of equipment that cannot be used independently of another piece of equipment or is physically connected to another asset. This definition applies even though the component part may meet the capitalization criteria by itself. For example, a personal computer (PC) consists of a Central Processing Unit (CPU), monitor, and keyboard. This is considered to be one unit consisting of three parts or components, none of which is typically used independently. Therefore, the total cost of the three components of the PC should be recorded with a tag attached to the CPU. Under normal conditions, if one of the pieces had to be replaced, it would either be covered under a maintenance contract and no cost would be incurred or the cost would be comparable to the piece being replaced, and there would be no change to the recorded asset value.

Certain types of equipment may be used with a number of other types of equipment. For example, a telephoto camera lens may be used on any of a number of cameras separately inventoried and tagged. ADP equipment is another area in which there may be equipment components, such as a printer connected to a mainframe. The key difference is that these items can operate on many different pieces of equipment, and the equipment to which they are attached can operate independent of the component (e.g., the camera can operate with or without the telephoto lens, and the mainframe can operate with or without the printer). Therefore, in the truest sense, the item is not a component of the system. It is a separate piece of equipment. In these instances, if the item meets the criteria for capitalization or control as an individual item, it should be separately recorded and tagged as a fixed asset equipment item.

80400 Asset Control and Management

As stewards of the Commonwealth's assets, the Institute is required to perform periodic physical inventories. The objectives of a physical inventory are to ensure that the fixed assets physically exist, to determine if unrecorded or improperly recorded transactions have occurred, and to identify any excess, defective or obsolete assets on hand. An effective inventory results in an accurate accounting of fixed assets and indicates the reliability of the system of accountability for the acquisition, use, and disposal of those assets.

A physical inventory of capitalized fixed assets will be conducted every year and Controllable equipment will be inventoried every other year in order to properly safeguard assets and maintain fiscal accountability. The Finance and Budget Office will assign a timeframe when the controllable inventory shall be completed by the department. If items are reported missing during an Inventory, the controllable inventory may be completed more frequently either by the Finance and Budget Office or respective department. Inventories of assets which are susceptible to error or irregularities should be conducted on a more frequent basis.

Circumstances may arise that require VMI employees to use State-owned equipment at their home or some location other than the VMI Post. With the exception of notebook computers taken on VMI business trips, such occurrences should be rare. However, if such a need does arise, an Off-Post Equipment Agreement Form should be completed. This form documents the need as well as the authorization for such use. It should be completed and forwarded to the Finance and Budget Office. During the process of conducting physical inventories, employees with state-owned equipment located off Post may be required to temporarily return them for inspection.

If a department decides to loan State-owned equipment to another State agency, an Equipment Loan Authorization form must be completed and submitted to the Fixed Asset Accountant prior to loaning out the equipment.

80410 Guidelines for Conducting Physical Inventories

The following general guidelines have been established to ensure that a physical inventory will be effectively implemented and performed:

- Property management personnel will establish a timetable and coordinate the effort necessary to conduct the inventory;
- Responsible persons should assist in conducting physical inventories in their respective area;
- Discrepancies between recorded and actual inventories must be resolved in a timely manner through the submission of revised input forms and tagging, if necessary;
- Each item recorded is physically inspected for changes in condition or location.

The physical inventory must verify the asset's existence, and should provide a reference to lists and/or other documents evidencing the existence and cost of the asset examined. Procedures must include verification from the list to ensure the physical existence of listed assets and from the physical assets back to the list to ensure all assets physically in existence are recorded in the inventory records.

The following detailed guidelines are provided for conducting the inventory:

- Property management personnel will be permitted access to all areas where assets may be stored or located;
- All equipment located in an area will be examined for an asset tag number and traced back to the inventory listing. Tagged items in a room which are reported on the inventory report as located elsewhere will require a revision to record the change of location;
- If tagged items are missing from the inventory listing, or if untagged items are identified as meeting the fixed asset criteria as a capitalized or controlled asset, inventory information must be provided at that time for subsequent entry into the system;
- Items that are identified during the inventory as unrecorded or listed as a discrepancy will be sent by property management personnel, via email, to the departmental equipment coordinator for investigation. Responses are to be returned to property management personnel within a two-week time period. If no response is received after two weeks, property management personnel will again contact the departmental equipment coordinator in addition to the department head via email for immediate response. Departments failing to respond after two notifications will be reported to the Director of Finance and Budget for further action.
- For items removed from the inventory because they are unaccounted for, an amount equivalent to the remaining book value may be deducted from the respective department's operating budget during the subsequent fiscal year.
- All areas will be examined for tagged, untagged, recorded, or unrecorded items and the necessary changes processed by property management within 60 days from the start of the inventory process.
- Any items acquired with ETF monies that are lost, stolen, or broken, must be replaced within 60 days of the date they were discovered missing or broken. If the item has not been replaced after 60 days, the Finance and Budget Office will replace the item for the department using their respective operating funds. They must also be replaced with like equipment having a cost equal to or greater than the remaining book value of the original item. The replacement item will use the same tag ID and will not require a new one. However, a reason for the need of a replacement item must be documented.

Departments must submit revisions to the individual responsible for the property management function whenever permanent changes to the below listed information fields occur:

- ***Ownership***
- ***Location***
- ***Responsible Person***
- ***Asset Operability***

80420 Compliance Reporting

As previously noted, the Deputy Superintendent for Finance and Support reports semi-annually to the Audit, Finance and Planning Committee on the status of VMI's compliance with the policies set forth in this Manual. All departments must have their inventories prior to established deadlines. Departments that do not complete their inventory within this allocated time and make no other arrangements due to extenuating circumstances may be considered noncompliant with these policies and procedures and cited in this report.

80430 Inventory Staffing

A responsible person must be assigned to each asset item recorded in the Fixed Asset System. This is to ensure that an individual within the Institute has the responsibility for maintaining and safeguarding the asset. The responsible person may or may not be directly involved in using the asset, but is typically responsible for asset acquisition or disposition within a given area or department.

Each department's inventory is available in Entrinsik.

80440 Tagging

Tagging provides a method of assigning a unique identification number to each fixed asset equipment item, in order for the item to be accounted for and identified within the Fixed Asset System. Numbers will be assigned in consecutive order without regard to asset type or location. Barcoded tags have been integrated to facilitate the inventory process.

Equipment Trust Fund purchases were previously tagged with a yellow tag and begin with a "T." All other equipment was tagged with a silver tag. Going forward, ALL TAGS with WASP are now white, start with T for EFT and 0000 for all other funds. Old tags remain yellow and silver.

The consecutive numbering allows each asset item within the Fixed Asset System to carry a unique number throughout its entire life regardless of change in location, responsible person, or other data elements assigned to the asset item, until such asset is retired or disposed. Once disposal or retirement has occurred, the number is also retired.

Assets to be entered into the Fixed Asset System should be tagged at the time of physical receipt, or as soon thereafter as possible.

It is sometimes impractical to physically tag certain equipment items such as camera lenses and data boards. Such assets may include heat-sensitive or finely tuned components that might become impaired if an inventory tag is placed on them. These assets will still be assigned a unique identification number for input purposes but will not be physically tagged.

80500 Surplus Property

All Institute property that is no longer used by the Department is considered surplus property. This does not include broken, cannibalized, or otherwise non-functional items unless those items are fixed assets or retain a market value for use as spare parts, scrap metal, etc. Assets not in operable condition may also be classified as surplus. Ultimately, surplus property will be sold, repaired, scrapped, transferred to another department or state agency, sold to an institute of Higher Education, or donated to an approved 501(c) (3) organization or another governmental agency.

Procurement Services is responsible for the disposition of surplus.

Disposition methods for surplus property are:

- Transfer to another VMI department;
- Sell or transfer to another state agency;
- Sell or transfer to local governmental entity;
- Sell to a recycler if the items have no functional market value;
- Donate to a qualifying IRS 501(c)(3) organization; and

- Public sale by various methods.

All assets must be formally reclassified once VMI determines they:

- a) Have served their useful purpose;
- b) Are no longer functional;
- c) Cannot be repaired or improved in a cost-effective manner; and/or
- d) Are not needed for use at the Institute.

Those assets so categorized will be classified as surplus and moved to Institute storage.

Departments must complete a Softdocs etrieve Disposition of Equipment Form (CMP3) in its entirety and attach photos of equipment and other items to be surplusd. The completed form shall be electronically routed to the Surplus Property Officer in Procurement Services.

The Surplus Property Officer will review these forms and determine whether the items meet the definition of surplus property. In some cases, the Surplus Property Officer will physically examine the items before making a determination. Computers and printers will be evaluated by Information Technology before disposition is determined.

If the items are deemed to be surplus property as defined herein, the Surplus Property Officer will determine the appropriate method of disposition. Furniture, office equipment, and supplies will be offered to other VMI departments on a first come, first serve basis. Other items may be sold through auction or donated to an approved organization. In all cases, surplus items will be left in the department until final disposition. Items identified for sale will be sold on an "as is where is" basis. Departments will be responsible for providing clear pictures and pertinent details of equipment to be sent to Procurement.

If the items do not meet the definition of surplus property, they will be disposed of in accordance with the appropriate method for scrap or salvage. The Surplus Property Officer will approve and route the Disposition of Equipment Form to Physical Plant, notifying them that the item is ready for pickup and disposal.

Upon final disposition of a fixed asset, the Disposition of Equipment Form will route to the Fixed Assets Officer for entry into the accounting records.

If the equipment is being transferred between departments, an Equipment Transfer-Replacement Form must be completed and forwarded directly to the Finance and Budget Office for processing. Computers that are returned to Information Technology must have the Transfer Form attached to the computer. The department receiving the equipment shall sign and forward the form to the Fixed Asset Officer.

A Disposition of Equipment Form shall be completed when damaged equipment will be replaced by the original vendor.

80600 Asset Disposal

As determined by the Surplus Property Officer, Fixed Assets can be disposed of in one of five ways:

- Sell or Trade-in
- Abandonment (Scrapped/Salvaged)
- Transfer
- Casualty Loss
- Cannibalization

Assets no longer in possession of the department as a result of one of these five means of disposal will be removed from the Fixed Asset system and considered disposed.

All disposals of assets must be carefully controlled and approved by the Surplus Property Officer in Procurement Services.

Although each specific method of disposal contains some slight variation, the basic disposal procedures are the same. The department controlling the Fixed Asset at the time of disposal is responsible for notifying the Surplus Property Officer and the Fixed Assets Officer using a Disposition of Equipment Form

80610 Sell or Trade-In

Surplus assets may be sold to another state agency, local governmental entity, or through a public auction. The Institute may be able to upgrade existing items by trading-in one asset for another. The trade-in of the old asset is processed as a disposal and the new asset is entered into the Fixed Asset System at the invoiced price, which should reflect not only the cash paid but the undepreciated value of the asset traded in.

80620 Abandonment

Fixed assets retaining no salvage or disposal value will occasionally be discarded or abandoned as scrap as determined by the Surplus Property Officer and/or the Fixed Assets Officer.

80630 Transfers

Permanent transfer of fixed assets within the Institute must be identified by the department as transfers are made. Any changes need to be reported to Fixed Assets Officer using an Equipment Transfer-Replacement Form. These modifications include changes in room number, building, department, responsible person, etc.

80640 Casualty Loss

Fixed Asset items that are destroyed by fire or other catastrophic circumstances must be removed from the records by submitting the Disposition of Equipment Form to the Surplus Property Officer and the Fixed Assets Officer.

80650 Cannibalization

In some cases, fixed assets which are no longer functional are cannibalized to obtain parts that can be utilized to repair other like assets. The original item is considered surplus and disposed of by cannibalization after approval from the Surplus Property Officer or the Fixed Asset Officer.

80700 Lost or Stolen

Fixed asset items which are unaccounted for following verification of the inventory report must be removed from the inventory database. Items that are known to be lost or stolen must be reported to the Finance and Budget Office immediately. The Fixed Asset Committee will review missing items on a regular basis to determine the appropriate next steps in terms of accounting and item recovery efforts.

Purchasing

Section 90000

90100 Procurement Policies

The CAPP Manual dictates that all expenditures of state funds be considered essential to the operation of the Institution. Under the general rule set forth in Section 2.2-1822 of the Code of Virginia, the Department of Accounts (DOA) may question any State-funded expenditure. All State-funded expenditures (including grants and contracts) are subject to public scrutiny, and anyone authorizing a purchase should not only determine that the benefit to the Institution justifies the use of State funds but should consider the appearance of unusual purchases on the agency and on State government in general. Since individual circumstances vary widely, adequate documentation for unusual purchases should always be included with the voucher. (ref. CAPP Manual, Section 20310).

For additional information: https://doa.virginia.gov/reference/CAPP/CAPP_Summary.shtml

The following list contains examples of expenditures determined to be improper use of State funds. This list is to provide general guidance to the VMI community in judging the appropriate use of State funds and should not in any way be deemed all inclusive.

Improper expenditures examples:

- Gifts, gift cards, or flowers
- Parties to include but not limited to Retirement, Birthday, Farewell (Non-Corporate)
- Books for classes (unless property VMI)
- Charitable contributions
- Personal hygiene and cleaning supplies
- Alcoholic beverages
- Snacks or refreshments for employees
- Departmental coffee service, machines, or supplies
- Employee or retirement parties and group luncheons for employees
- Holiday cards or decorations
- Magazine and Newspaper Subscriptions, except for bona fide business purposes, and not to exceed one year
- Non-business related newspapers or magazines
- Picture framing or framing of award certificates (unless property of VMI)
- Childcare services / Babysitting
- Replacement of stolen or lost employee personal articles
- Personal items for employees
- Employee clothing (non-uniform) or clothing repair
- Tuxedos or formal wear
- Cash advances
- All expenses related to personal negligence of the employee (i.e., traffic fines)

The single limit dollar transaction amount is capped at \$10k. Purchases over this amount must either be competitively solicited or have a valid contract to support the purchase.

Procurement Officers are required to review available contracts which have been competitively procured (including VASCUPP, DP&S, VDOT, VITA, DEB, E&I, et al) in advance of any purchase and/or solicitation to determine if such contracts meet the business goals, objectives and mission of the Institute. The solicitation and/or award of a contract or purchase order by an authorized Procurement Officer shall

constitute documentation of compliance with this requirement. No purchase or solicitation will be initiated without first complying with this requirement. No further documentation in the contract file is required.

Procurement at Virginia Military Institute is governed by the Commonwealth of Virginia Purchasing Manual for Institutions of Higher Education and their Vendors (HEM) HIGHER ED MANUAL.

90110 Electronic Virginia (eVA)

Electronic Virginia, also referred to as eVA, encompasses vendor central registration and source selection, requisitioning, soliciting, and receiving formal and informal bids and proposals including tabulation and evaluation, electronic ordering, public posting, electronic invoicing, data record keeping and reporting capabilities. eVA facilitates item searches in which departments within the Institute can shop mandatory sources as well as optional use term contracts, surplus property, and non-contract sources. ***All Institute purchase transactions, regardless of funding source, shall be processed through eVA to eVA registered vendors*** with the following exceptions:

- Point of sale charge card purchases that are made at the site of the sale and picked up by the individual card holder (SPCC).
- Or
- Exclusions listed below:
 1. Real estate leases
 2. Professional organizational membership dues and training classes sponsored by the professional organizations when payment is made directly to the professional organization sponsoring the training class in a like occupation charged with educating, certifying or lobbying
 3. Conference registrations
 4. Honoraria
 5. Award of grants (disbursement of grant funds) by agencies and institutions to public bodies or tax exempt non-profit charitable organizations. **This exception does not apply to the expenditure of grant funds by agencies and institutions for the purchase of goods and/or services. Governing Rules §5:A-J**
 6. Public utilities (electric, natural gas, water, sewer, phone, cable)
 7. Purchases made using the DPS statewide contract for Express Delivery Services
 8. Voyager (fuel) charge card purchases
 9. Individual Travel and Lodging
 - a. Group (i.e., two or more individuals) travel up to \$50,000 per group travel event
 - b. Group travel-related lodging
 10. Business and/or financial transactions to which public procurement regulations do not apply. Examples include eVA Fees, debt service payments, Medicare and Medicaid payments, and child support payments.

Previously exempted purchases must now be entered in eVA using PO Type X02 (Purchase Order Category X02). This is a **MANDATORY requirement** from the State to enhance transaction transparency, analysis, and reporting. eVA purchase orders are to be issued prior to contractors performing any work:

1. Advertisements in newspapers, magazines, journals, radio, television, etc.
2. Accreditation fees and academic testing services
3. Exhibition rental fees for exhibitions of historical artifacts or original works of art. (The rental fee may include charges other than the rental of the exhibition, such as transportation costs)
4. Goods or personal services for direct use by the recipients of programs specified in the *Code of Virginia, § 2.2-4345*, if the procurement is made for an individual recipient. Contracts and/or spot purchases for the bulk procurement of goods or services for the use of recipients shall not be exempted

5. Purchases by agencies and institutions to charitable organizations in accordance with the provisions of 2011 Appropriation Act § 4.5.04. Legislatively Directed Contract Awards.
6. Entertainment (speakers, lecturers, musicians, performing artists)
7. Medical (health care) services when the service is provided by a hospital or an individual licensed and authorized by law to engage in the prevention, diagnosis, or treatment of human illness, injury, or physical disability, mental health, mental retardation, substance abuse, or emotional condition. Contracts and purchase orders between the agency or institution and temporary service providers or independent laboratory testing companies are not exempt from purchasing through eVA
8. Purchases of Pharmaceuticals, Vaccines, and University Oral Contraceptives MMCAP Contract Products, as categorized by MMCAP, within the Pharmacy Program or Influenza Vaccine Program under MMCAP Pharmaceutical Wholesaler Distribution Services Contracts are exempt. Purchases of Non-Pharmaceuticals within the Pharmacy Program or MMCAP Contract Products under other MMCAP programs not mentioned above are not exempt from eVA fees (ex. Medical Supplies)
9. Revenue contracts, e.g., scrap, recycling or contracts with \$0 payment made by the Commonwealth, e.g., contracted out bookstore, food service operations
10. Government-to-government purchases, other than purchases from mandatory sources
11. Purchases from public auctions (non-electronic)
12. Purchase of State and Federal Surplus property
13. Surplus property
14. Contracts with commercial fisherman for replenishment, research, and stock assessment activities
15. Financing when goods/services procured from one source are being financed by another (i.e., third party) source. The financing exclusion does not apply to lease purchases.
16. Purchases with public and private hospitals, as well as pharmacy chains and independent pharmacies, that are licensed and authorized by law to dispense controlled drugs and other medications based on prescriptions written by medical practitioners licensed to engage in the prevention, diagnosis, or treatment of human illness, injury, or physical disability, mental health, mental retardation, substance abuse, or emotional condition, when the purpose of the contract is to provide on-site mentoring and practical experience to pharmacy students enrolled in state institutions of higher education
17. Purchases with public and private hospitals, medical practices, and medical clinics that are licensed and authorized by law to engage in the prevention, diagnosis, or treatment of human illness, injury, or physical disability, mental health, mental retardation, substance abuse, or emotional condition, when the purpose of the contract is to provide on-site mentoring and practical experience to medical students enrolled in state institutions of higher education
18. Purchases with individuals providing instructional services in conjunction with a contract between an institution of higher education, including community colleges, and a local business or industry for non-credit workforce development classes to be provided by the institution of higher education

Vendor Registration Requirement. All vendors who accept purchase orders from Commonwealth agencies and institutions must register in eVA. All solicitations are subject to the General Terms and Conditions, which include General Term X. (eVA Business-to-Government Vendor Registration) requiring vendors to register to do business with the Commonwealth).

90120 Small, Woman and Minority Owned Business (SWaM)

In accordance with Executive Order 35, dated July 3, 2020 and still in effect, agencies shall "exceed a target goal of 42%" of purchases of goods and services made from certified Small, Woman-owned, and/or

Minority-owned businesses. Under the same Executive Order, Capital Construction must meet or exceed a goal of 50% of all expenditures. VMI must submit a SWaM Plan to the Department of Small Business and Supplier Diversity (DSBSD) and the Secretary of Education annually. The plan must specify the Institute's SWaM goals for procurement and include the annual designation of a SWaM champions (one in Procurement Services and one in Facilities Management) to ensure non-discrimination in the solicitation and award of contracts. VMI's Board of Visitors approves the annual SWaM Plan incorporating this goal.

In support of VMI's SWaM goals and commitment to utilize SWaM businesses, all Small Purchase Credit Cardholders (SPCC) and staff with delegated procurement responsibilities are to use Small, Woman-owned and Minority-owned businesses for all purchases when such businesses are available. Procurement Services will assist in locating certified SWaM suppliers or granting permission in writing to purchase from majority (large) businesses once due diligence is completed to locate a certified SWaM source.

90130 Mandatory Sources

Mandatory sources are as follows:

- Virginia Correctional Enterprises (VCE) – All furniture items such as chairs, tables, desks, filing cabinets, etc. unless exempted by VCE Release or the Director of Procurement Services when appropriate.
- Department for the Blind and Vision Impaired "DBVI" (formerly Virginia Industries for The Blind "VIB") – All writing instruments such as pens, pencils, highlighters, etc. These items can be obtained through VMI's Supply Room Contract or directly from DBVI.
- The Supply Room – all office supplies

90140 State and Cooperative Contracts Use

Term contracts are established by the Department of General Services/Division of Purchases and Supply (DGS/DPS) to obtain more favorable pricing through volume purchasing and to reduce procurement lead-time and administrative effort. Use of these contracts is optional and should be used if no other cooperative resource is available (VASCUPP, VHEPC, PACE, Omnia Partners, E&I, etc.). Contact Procurement Services with assistance in locating contracts.

90150 VASCUPP Contracts (Virginia Association of Schools, Colleges, and Universities Procurement Professionals)

Member Institutions:

Christopher Newport University, George Mason University; James Madison University; Longwood University; Norfolk State University, Old Dominion University; Radford University; University of Virginia; University of Mary Washington; Virginia Commonwealth University; Virginia Military Institute; Virginia Polytechnic & State University, and William & Mary.

VASCUPP is a procurement consortium formed to provide opportunities for Virginia's public colleges, universities, and other institutions of higher education to effectively communicate among constituents and peers, allow for cooperative procurement, professional development, and enhancement of supplier diversity initiatives. Membership in VASCUPP is limited to those colleges that have been granted unlimited delegated procurement authority by the Virginia Department of General Services through the *Virginia Higher Education Restructuring Act*. VMI's Director of Procurement Services and Accounts Payable has a seat on the Board of Directors.

Contracts negotiated on behalf of member institutions can be found on the VASCUPP website: www.vascupp.org

90160 Virginia Higher Education Procurement Consortium (VHEPC)

The VHEPC was established in 2014 to “[utilize] strategic sourcing principles and the collective buying power of Virginia's Higher Education institutions. VHEPC seeks to identify opportunities, leverage vendors, and recommend courses of action in order to further the strategic sourcing initiatives of the schools...” VMI is a founding member of the Consortium.

VHEPC CONTRACTS can be located at this link.

90210 Small Purchase Charge Card (SPCC)

The SPCC is issued to cardholders as an alternate payment and procurement method for individual transactions up to \$2,000* and monthly transaction limits up to \$50,000. The purchase of small dollar goods and services using the SPCC must follow the Institute's procurement policies and procedures and adhere to the Higher Education Manual (HEM).

The current charge card vendor for the Commonwealth of Virginia is Bank of America. The SPCC expedites purchases and vendor payments, reduces paperwork, and consolidates multiple vendor payments into one monthly payment to Bank of America.

VMI does not permit use of the SPCC for cash advances and personal travel expenses (with the exception of mass transit and conference registration fees).

The SPCC is the preferred method of payment for purchasing items costing less than \$5,000. All SPCC purchases must be made from eVA registered, SWaM certified vendors unless a written exemption from Procurement Services has been obtained.

Cardholders are required to reconcile their monthly charges using Bank of America's online Works program within five days of the end of the billing cycle. Billing cycles begin on the 16th of each month and end on the 15th of the following. Supervisors/Reviewers are required to approve SPCC transactions through the Works program. Mandatory annual training from the Virginia Department of Accounts for both Cardholders and Supervisors/Reviewers must be complete by May 1 each year.

Strict adherence to these practices by both cardholders and their supervisors/reviewers is required. Failure to do so will result in card suspension or employment termination.

*Does not apply to Contracting Officers or Exempted Cardholders who have earned the VASCUPP CUPA (Certified University Procurement Associated? Certification. This certification is limited to those individuals whose positions require a minimum of 50% procurement activity.

90220 Colleague Purchase Orders

Procurements that exceed \$2,000 are encumbered in VMI's Enterprise Resource Planning (ERP) software through the entry of purchase orders (PO). These PO's are in addition to eVA purchase orders. All purchases exceeding \$2,000 must be submitted to the appropriate signature authority or designee as authorized by the Superintendent's Delegation of Authority Memorandum.

All computers and software purchases must be submitted by requisition to Information Technology for approval. If approved, Procurement Services will confirm that Terms & Conditions are compliant before processing the PO.

90230 Sole Source Procurement

Sole source procurement is authorized when there is only one source practicably available for the goods or services required. Competition is not available in a sole source situation; thus, distinguishing it from a proprietary purchase where the product required is restricted to the manufacturer(s) stipulated, but is sold through distributors and competition between them can be obtained. Sole source justification

based solely on a single vendor's capability to deliver in the least amount of time is not appropriate since availability alone is not a valid basis for determining sole source procurement.

All sole source procurements for non-technology goods and services over \$10,000 must be approved in advance by the Superintendent or designee. The written determination, documenting that there is only one source practicably available for that which is to be procured, must be included in the procurement file. In addition, a memorandum must be attached to the request which addresses these four points:

- Explain why this is the only product or service that can meet the needs of the department.
- Explain why this vendor is the only practicably available source from which to obtain this product or service.
- Explain why the price is considered reasonable.
- Describe the efforts that were made to conduct a noncompetitive negotiation to get the best possible price for the taxpayers.

The justification shall document the basis for the determination, which should include any market analysis conducted in order to ensure that the good or service required was practicably available from only one source.

The Sole Source Justification Form, once submitted, requires the recommendation of Procurement Services and the approval of the Deputy Superintendent for Finance, Administration and Support.

Sole Source Justification Form

90240 Emergency Procurement

An emergency is an occurrence of a serious and urgent nature that demands immediate action.

Emergency procedures may be used to purchase only that which is necessary to cover the requirements of the emergency. Subsequent requirements shall be obtained using normal purchasing procedures. The potential loss of funds at the end of a fiscal year is not considered an emergency.

- a) For an emergency purchase required to protect personal safety or property, efforts should be directed to finding a source and directing the contractor to proceed; however, such procurement shall be made with such competition as is practicable under the circumstances (*Code of Virginia, § 2.2-4303F*). This does not relieve VMI from negotiating a fair and reasonable price and subsequently documenting the procurement action.
- b) For other types of emergencies, competition should also be sought to the maximum extent practicable. Vendor's qualifications may be checked and verification of insurance coverage, if applicable, information on warranty offered, and any other data pertinent to the procurement.

Documentation:

- Written Determination. Prepare a written determination for signature by the Superintendent or designee indicating the nature of the emergency, the reason for selection of the particular contractor and include such determination with the file.
- Posting Requirements. Issue, post and/or publish required written notice. Emergency notices shall be posted on the eVA web site. For emergency procurements over \$50,000, notices must be posted on eVA and at a minimum state that the procurement has been declared an emergency and must also state that which is being procured, the contractor selected, and the date on which the contract was or will be awarded.