Appropriate Use of College Funds

07: Purchasing
07:08:02:00

Purpose:
Dyersburg State Community College (DSCC) receives funds from a variety of sources, including state appropriations, fees, receipts, and gifts. Most of the funds received are for specific, limited purposes or are subject to restrictions by a governing body. DSCC uses all funds, regardless of type, in a manner consistent with applicable federal and state laws and regulations, DSCC policies, and other restrictions or designations governing their use. The purpose of this policy is to define the appropriate use of entrusted funds and transactions that are prohibited.

Scope:
This policy applies to all DSCC faculty and staff.

Policy:
Funds received by the College may be expended for ordinary and reasonable business-related expenses that support DSCC’s mission. Business-related expenses are routine, operational in nature, and easily documented as College mission-based. They include faculty and staff salaries, classroom equipment and supplies, campus and plant operation and maintenance. Business expenses also include expenditures for goods and services that help to build, strengthen, and promote relationships with groups and individuals, on or off campus. These may include travel, meals, and entertainment, recruitment retention expenses, and awards in accordance with College policy.

The following standards should guide the expenditure decision:

- For business meetings and hosting functions, the approving College official must exercise prudent judgment to ensure that the commitment of College funds is appropriate, essential, and supports the College’s academic, institutional, or public service mission.
- The expenditure should not be personal in nature.
- For employees, the expenditure should not be used as additional compensation (the IRS considers gift cards or gift certificates “cash equivalents” to be treated as additional compensation).

Prohibited Transactions: No personal items shall be purchased through DSCC or from College funds for any employee of the institution or any relative of any employee. No employee of the institution responsible for initiating or approving requisitions shall accept or receive, directly or indirectly, from any person, firm or corporation to whom any contract may be awarded, by rebate, gift or otherwise, any money or anything of value whatsoever, or any promise, obligation or contract for future awards or compensation. Whenever any contract is awarded contrary to the provisions of these policies and procedures, the contract shall be void and of no effect, and if the violation was intentional, the employee responsible for the purchase shall be liable for any state funds paid contrary to these policies and procedures.

Gift Cards: The Internal Revenue Service considers gift cards and certificates as cash or cash equivalent fringe benefits and would be considered taxable income to an employee, non-employee, student, or research participant. Additionally, College-funded expenditures for gift cards or gift certificates to student employees as a token of appreciation for their work are not acceptable per IRS regulations. Therefore, gift cards or gift certificates should never be purchased with DSCC funds.

The only acceptable circumstance a gift card or certificate may be used is when a gift card or certificate is donated for the use of giving away as a door prize.

Compliance:
Appropriate Use of College Funds
Published on www.dscc.edu (http://intweb.dscc.edu)

Prudent use of funds is the responsibility of every DSCC employee. Employees who spend DSCC funds inappropriately, as defined in this policy, as well as managers who approve such expenditures, will reimburse the College, and may also be subject to disciplinary action.

Revision History: