



SMALL DOLLAR PURCHASE GUIDELINES

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General Information

Small dollar purchases are defined as a transaction that is less than \$1,500 and that does not require a purchase requisition in accordance with the College's purchasing policy and procedures. Note that transactions cannot be split or divided into smaller transactions in order to avoid the \$1,500 limit. Budget Center Managers (BCM) are empowered to make small dollar purchases for the College for their areas of responsibility. Other individuals may be designated when properly instructed and approved by BCMs to also make small dollar departmental purchases. With this empowerment comes the responsibility to be certain that purchases are appropriate, reasonable, business related and comply with all internal or external restrictions. These guidelines apply to all small dollar expenditures made from College funds including grant/contract funds.

The following guidelines are intended to help users with their purchasing decisions to ensure that small dollar purchases are conducted in a consistent manner College wide and ensure that purchases are prudent, necessary and only for College purposes. Purchases must always be appropriate for the activity, be at a reasonable cost to the College and include a clearly documented business purpose. In addition, whenever grant or contract funds are used for purchases, care must be exercised to ensure all expenditures are allowable and in compliance with all grant, contract or donor restrictions (also see section XII.). The term "College funds" used in these guidelines includes all money received and used by the College regardless of the source of the funds.

The College's Purchasing Card (P-Card) Program is designed to serve as the primary purchasing tool for all purchases under \$1,500. If a P-Card is not accepted by a merchant, the department may place the small dollar order with the vendor and submit the invoice after the good or service has been received as a Payment Request through SLCCBuy. P-Card users must adhere to the guidelines outlined in the P-Card manual.

Employees should not use personal funds or credit cards to make College purchases except in unusual circumstances and as a last resort. Employee reimbursements are the least efficient and most costly type of expense to process. If personal funds must be used for a small-dollar purchase, the department should submit a Payment Request in SLCCBuy and attach the receipt for reimbursement. Note that sales tax on employee reimbursements will not be reimbursed.

Travel expenses must be made in accordance with the College Travel Policy and are not subject to these guidelines.

The following items must be purchased by submitting a requisition in SLCCBuy:

- Furniture; all furniture requests must be approved by Facilities.
- Computers and software. However, netbooks/iPads/tablets may be purchased with small dollar tools after receiving Office of Information Technology (OIT) approval to purchase the device. (Refer to Netbook/iPad Purchasing Guidelines). Software may be purchased using a Purchasing Card if pre-approved by IT.
- Goods and services that exceed \$1,500, except as outlined in the Payment Request Guidelines.

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Guidelines

I. Business Purpose

Purchases must always be appropriate for the activity, be at a reasonable cost to the College and include a clearly documented business purpose. An appropriate business purpose answers the question: How does this purchase benefit SLCC? Business purposes should be written in such a way that an individual, unfamiliar with your position or department, can understand how the purchase benefits the College. Please try to refrain from using uncommon acronyms, generalized categories of purchases, etc. Below are some examples:

Expense Type	Sufficient Business Purpose Statement	Insufficient Business Purpose Statement
Business meal	Lunch for employees for quarterly IDC meeting held during lunch due to scheduling needs	Staff Meeting or Lunch
Food for event	Food for students for Back to School Night on 08/20/2020	Snacks
Conference	2020 AMA Conference – New York – John Smith	Conference
Supply	Board fabrication – MARS project	Electrical components
Office Supply	Mouse for John Smith	Mouse
Membership	2020 Annual Institutional Membership to National College Association (NCA)	Membership
Office Supply	Paper goods for break room	Breakroom supply or Office Supply
Project Expense	Parts for Chiller at AAB	Work Order 12345
Water	Rental for Water Cooler in AAB123	Office Supply or Water

II. Required Approvals

All College expenditures must be reviewed by at least two individuals. Expenditures must be approved by the Budget Center Manager (BCM) over the Index used. Any payment to a BCM must be approved by the BCM’s supervisor. Transactions made using a Purchasing Card where a BCM is the cardholder must be approved by the BCM’s supervisor. A BCM may not both enter and approve a Requisition or Payment Request.

Some expenditures require Executive Approval as indicated below. Executive Approval means approval from the Vice President/Provost over the department making the expenditure or the President.

III. Purchases/Expenditures

The guidelines listed below specify the procedures, required documentation, and approvals needed for specific types of purchases. Please note that grant and contract rules may prohibit purchase of these items and supersedes this guidance relative to allowability. For a list of prohibited items for Federal grants refer to 2 CFR 200.420-475.

1. Breakroom/Kitchen Items

a. Breakroom Supplies

Tableware, napkins, paper towels, tissue, and cleaning supplies are an appropriate expense.

b. Kitchen appliances

Refrigerators, microwave ovens, water dispensers, coffee makers, and toasters are an appropriate expense. Purchases must be in accordance with [Facilities policies](#).

c. Refreshments for Employee Use

Minimal purchases for breakroom areas for coffee/cocoa, water or light snacks is appropriate.

d. Restrictions

i. Refreshments for Employee Use

Stocking of breakroom areas with significant refreshments, including soda, excess candy/snacks, and other food items, solely for employee use is not an appropriate expense.

2. Clothing and Apparel

a. Promotional and Marketing

Clothing and apparel provided to promote college student recruiting programs, marketing, and promotional events, and related to college business is an appropriate expense. These purchases should have a direct benefit to the College, be modest in cost, and have an appropriate return on investment. Departments may make such purchases from SLCC Printing Services, Follett, or from other vendors as appropriate. However, first right of refusal should be given to on-campus suppliers when possible.

b. Uniforms

Standardized uniforms required for work assignments are an appropriate expense.

c. Laundry/dry cleaning

Laundry/dry cleaning of uniforms, costumes, or other clothing owned by the college is an appropriate expense.

d. Restrictions

The following purchases are not appropriate.

i. Laundry/dry cleaning

Laundry/dry cleaning of personal clothing is not an appropriate expense.

3. Decorations

a. Decorations for Events and Public Spaces

Decorations, including balloons, banners, floral arrangements, and other event-specific or festive items for College functions or events (i.e., graduation, holiday, retirement reception, open house events, and conferences) and for decoration of SLCC public areas and areas where the public is received, such as reception desks and lobbies are an appropriate expense. The decorative item(s) should be appropriate to the function and at a reasonable cost. Grant funds may be used only with documentation supporting how the function/activity benefited the grant's purpose. Seasonal and cultural decorations should reflect the staff plurality present in the workplace environment.

b. Restrictions

The following purchases are not appropriate.

i. Decorations for Employee Offices/Cubicles

Decorations for individual employee offices or cubicles, with the exception of special purchases made by the Office of the President, are not an appropriate expense.

4. Flowers

a. Funeral

There is no substitution in lieu of flowers/floral arrangement or a plant. College funds cannot be expended for an equivalent monetary donation to a not-for-profit organization, such as the American Cancer Society, nor a for-profit organization.

i. Employee or Employee Immediate Family

Flowers/floral arrangements or plants for the funeral of a current employee or a current employee's immediate family member, as defined in the [Funeral Leave Policy](#), is an appropriate expense. The purchase should be authorized by the head of the employee's department.

ii. Retired Employee

Flowers/floral arrangements or plants for a funeral of a retired employee are allowable but must meet the following requirements: 1) the retired employee had at least ten years of service at SLCC; 2) the retired employee retired within the last five years. Flowers/floral arrangements for retired employees must have Executive Approval.

iii. Student

Flowers/floral arrangements for the funeral of a currently enrolled SLCC student is an appropriate expense. The purchase should be coordinated through the Office of the Vice President for Student Affairs or her/his designee.

iv. Dignitary

Flowers/floral arrangements for the funeral of a donor, trustee, board member or their immediate family members, or others at the President's discretion is an appropriate expense.

b. Get-Well/Birth & Adoption

Flowers/floral arrangements or plants for a current employee or a current employee's immediate family member who is hospitalized or who is not hospitalized but has an extended recovery period is an appropriate expense. Such tokens are also appropriate in recognition of the birth or adoption of a child. A non-monetary equivalent may be substituted where appropriate, such as a balloon bouquet, cookie bouquet, or similar sentiment. The purchase of such should be authorized by the head of the employee's department.

c. Decoration

Flowers/floral arrangements intended for use as decorations for College functions or events (i.e., graduation, holiday, retirement reception or open house events) is an appropriate expense.

Flowers/floral arrangements for public areas and areas where the public is received, such as reception desks and lobbies is an appropriate expense.

d. Retiring Employee

Floral corsages/boutonnieres for retiring employees being honored at an official College retirement reception is an appropriate expense.

e. Restrictions

The following purchases are not appropriate.

i. Profession-specific Observance Days

Flowers/floral arrangements for the recognition of employees for profession-specific observance days, such as Administrative Professionals Day or Bosses Day, is not an appropriate expense.

ii. Personal-life Events

Flowers/floral arrangements for personal life events, including, but not limited to, birthday, wedding, anniversaries, etc. is not an appropriate expense.

iii. Floral Décor of Employee Offices/Cubicles

Flowers/floral arrangements for the decoration of individual employee offices or cubicles, with the exception of special purchases made by the Office of the President, is not an appropriate expense.

iv. Employee Farewell Event for Non-Retirement

Floral corsages/boutonnieres for employees leaving the College's employ for reasons other than retirement is not an appropriate expense.

5. Food, Meals, and Refreshments

All food purchases must be accompanied by a business justification that outlines the college function for which the food was provided, whether the food was for employees, guest, or students, and explains the business purpose for providing the food. This section governs all food purchases including meals, refreshments, snacks, candy, and beverage service.

a. Food Costs Associated with a Grant or Contract

In general, grant cost principles do not allow food expenditures except under certain conditions. Some grants may impose a total prohibition on food and others may restrict food to only being allowable as a need-based supportive service. Accordingly, the grant principal investigator (PI) is responsible for knowing what services and costs are allowable; and if food costs are allowed, care must be taken to fully justify and document food needs. Cost principles do allow the reimbursement of meals for employees on approved grant-related travel. However, food costs are not generally allowed for internal employee meetings.

b. Food for Internal College Functions

Food for College business meetings and college-sponsored employee events, held on or off campus, including training, extended meetings, retreats, and other official gatherings limited to College employees is an appropriate expense with a valid business purpose. The food and beverage should be appropriate to the function and at a reasonable cost. Such business meals must have a direct business purpose where the main focus is the business activity and the meal is incidental, and should be infrequent. Departments are discouraged from regularly providing food for staff meetings, including holding meetings at restaurants.

c. **Food for Internal College Social Events**

Food for Social Events limited to college employees is an appropriate expense with Executive Approval. Education and General (E&G) funds should not be used for these social events. Institutional Investment Income (III) funds may be used for these events.

d. **Food for Hosted Guests**

Food provided for a hosted event where external guests or constituents are hosted on behalf of the College is an appropriate expense. Such events must have a direct business purpose and be at a reasonable cost.

e. **Food for Student Functions**

Food provided for student functions is an appropriate expense. The food and beverage should be appropriate to the function and at a reasonable cost.

f. **Food for Employee Farewell Events**

Food provided for retirement receptions is an appropriate expense and should reflect a reasonable cost for the occasion.

Food provided for a farewell event of an employee departing the College's employ for reasons other than retirement is an appropriate expense with Executive Approval. Care should be taken that costs remain reasonable and the event scale is aligned with the employee's length of employment at the College.

g. **Beverages**

Beverages, including bottled water, for College or student functions is an appropriate expense. For internal events, departments are encouraged to utilize water dispensers and reusable cups, rather than bottled water. Beverages provided must be in adherence to the current beverage contract with Pepsi. Please contact Gina Chase with questions regarding the current beverage contract.

h. **Restrictions**

The following purchases are not appropriate uses of College funds. However, in some cases it may be appropriate to observe certain days/events by soliciting personal contributions of food/beverage by employees in a "pot-luck" type of arrangement.

i. **Food and/or Beverages for Profession-specific Observance Days**

Food and/or beverages provided for profession-specific observance days, such as Administrative Professionals Day or Bosses Day, is not an appropriate expense.

ii. **Food and/or Beverages for Personal Life Events**

Food provided for personal-life events, including, but not limited to, birthday, wedding, anniversaries, birth or adoption of a child, etc., is not an appropriate expense.

iii. **Alcoholic Beverages**

The purchase of alcoholic beverages is not an appropriate expense.

iv. **Employee Farewell Event for Employee Moving Departments**

Food provided for farewell events for employees moving from one College department to another is not an appropriate College expense, regardless of fund source.

6. Gifts

a. General Gift Guidelines

The following guidelines pertain to all gift purchases.

i. Gift Purchases with Grant Funds.

Special care should be taken if grant funds are being considered to pay performance incentive awards or purchase recognition gifts. If allowed under the particular grant stipulations, such costs must be adequately documented supporting how the costs directly benefited the grant.

ii. Gift Cards or Certificates

All gift cards and certificates, regardless of the dollar value, are defined as cash equivalents by the IRS and are considered as taxable compensation to recipients. All gift cards are considered cash and must be securely maintained.

Departments are responsible for keeping an inventory and tracking the disbursement of all purchased gift cards. To help with the inventory/disbursement of gift cards, departments should utilize the Gift Card Inventory/Recipient Form found on the [Purchasing](#) and [Accounts Payable](#) websites. The disbursement of a single gift card can be reported using the Gifts, Prizes, or Awards Recipient Information form found on the Purchasing and Accounts Payable websites. All gift cards disbursed must be reported to the Purchasing and Accounts Payable Department within two weeks.

Gift cards may not be purchased with the intent that they will be used to purchase goods or services for the College. Gift cards may not be purchased at the end of one fiscal year with leftover funds as a way to bank money or carry over funds to be used in the next year. Gift cards should be distributed in the same fiscal year they are purchased.

iii. Tangible Merchandise

Gifts with a value of \$50 or less are not taxable to the recipient. Merchandise gifts valued at \$50 or more are considered taxable to recipients. Such gifts are accounted for and reported using the “Gifts, Prizes or Awards Recipient Information” form and should be submitted by the issuing department. For employees, a copy of the form must be submitted to the Payroll Office in the pay period the gift was given. For students and non-employees, a copy of the form must be submitted to the Accounts Payable Office within 10 days of giving the gift. Restricted or non-negotiable gift certificates are considered tangible merchandise and are not taxable if under \$50. Restricted or non-negotiable gift certificates are defined as an item that can only be redeemed with the issuer for the item specified and cannot be cashed out, sold to another person, or used to reduce an outstanding account balance with the issuer of the certificate.

b. Thank You Gifts

Thank You gifts may be purchased to thank individuals who have helped the College in a significant, meaningful or appreciative way.

i. Employees

Thank you gifts in the form of tangible merchandise for employees who have **gone above and beyond their normal work duties** is an appropriate expense. Such gifts cannot be given as additional compensation for employees. Thank you gifts may not be purchased as a farewell thank you gift for employees leaving/terminating the College's employ.

Thank you gifts for employees cannot exceed a value of \$50 per occurrence nor a cumulative of \$75 annually.

ii. Non-employees

Thank you gifts purchased for non-employees is an appropriate expense. Such gifts may be in the form of a gift card or tangible merchandise and should be at a reasonable cost. Cash gifts are not appropriate.

c. Prize Giveaways

Individual gifts intended as prize giveaways at College events and functions and rewards for completing surveys or other like activities is an appropriate expense when purchased in accordance with the guidelines outlined below. Individual gifts must be appropriate to the event or function, and the cost of each gift must be modest and reasonable.

i. Employees

Prize giveaways to employees at a recognized College function limited to College employees is an appropriate expense with Executive approval. Prizes in the form of Tangible gifts is preferred. However, gift cards are allowed. All gifts must adhere to the General Gift Guidelines outlined above.

ii. Non-employees

Prize giveaways to non-employees, including students, is an appropriate expense. Prizes may be in the form of a gift card or a tangible gift. All gifts must adhere to the General Gift Guidelines outlined above.

Note: An item that was originally purchased for College use regardless of the funding source or value cannot subsequently be given away as a gift or prize without approval from the Surplus Property Office. Such items are property of the College and the disposal of all College property is subject to surplus property rules. The appropriate surplus property form must be completed and the Surplus Property Office consulted if there is a desire or intent to dispose of College property by way of a gift or prize.

d. Retirement Gifts

Gifts to honor employees who are retiring is an appropriate expense. A retirement gift may not exceed \$200.00 in total value. This limit may be exceeded when Executive Approval is granted for a scholarship to be established in the retiree's name.

i. Cash Gifts

To issue a direct monetary gift, a department must submit a one-time payment PAF to HR. The department will be responsible to cover the cost of Social Security, federal and state income taxes for the payment. The gross amount of the gift is included as taxable income on the employee's W-2.

ii. Cash Equivalent Gifts

A gift card or certificate that is given as a retirement gift is considered taxable income to the employee, regardless of the monetary value, and must be reported to the Payroll Office in the pay period issued. Additional employee benefit expenses with such awards will also be charged to the department making the award.

iii. Tangible Gifts

A tangible gift that is given as a retirement gift valued at \$200 or less is not taxable to the employee.

e. Employee Incentive Awards, Rewards, and Recognition Gifts

Gifts given to employees as part of an award or recognition program, such as years of service or staff/faculty of the year awards, is an appropriate expense. Such programs must be approved by the President.

f. Restrictions

The following purchases are not appropriate.

i. Gift Cards as Thank You Gifts for Employees

Thank you gifts in the form of gift cards or certificates for employees is not an appropriate expense.

ii. Profession-specific Observance Day Gifts

Gifts for the recognition of employees for profession-specific observance days, such as Administrative Professionals Day, Bosses Day, etc. are not an appropriate expense.

iii. Holiday Gifts

Holiday gifts of any kind intended for employees, with the exception of special gifts provided through the Office of the President, are not an appropriate expense.

iv. Personal Life Event Gifts

Gifts for the recognition of personal life events are not an appropriate expense. Personal-life events include, but are not limited to, birthday, sympathy, condolence, wedding, anniversaries, birth or adoption of a child, employment farewell for other than retirement, promotion, special occasion, congratulatory, or encouragement.

v. Prize Giveaways

Employees may not receive any cash award, including gift cards, for participating in a survey or like activity. This restriction does not prohibit employees from participating in the survey/activity, but they may not receive any compensation for doing so.

vi. Raffles, Lotteries, and Games

Gifts and prizes awarded for lotteries, raffles, or games of chance that require participants to purchase items/tickets or donate to a cause or the College is not an appropriate expense.

7. Greeting Cards

Departments should coordinate internally when purchasing greeting cards.

a. Birthday or Get Well Greeting Cards, Employee-related

Greeting Cards to recognize employee birthdays or illness is an appropriate expense.

b. Condolence Cards

Condolence cards for employees or non-employees is an appropriate expense.

c. Seasonal and Cultural Cards

Cards for external and internal distribution is an appropriate expense and are coordinated through the President's Office. Lists of external recipients should be coordinated through Institutional Advancement.

d. Thank You Cards

General thank you cards or notes is an appropriate expense.

e. Restrictions

The following purchases are not appropriate.

i. Personal Life Event Greeting Cards

Greeting cards for personal life events, except those listed above, are not an appropriate expense. Personal-life events or occasions include, but are not limited to, wedding, anniversaries, special occasion, and profession-specific observance days.

8. Honorarium

An honorarium is defined as a voluntary cash payment given to a non-employee professional person for a service(s) for which fees are not traditionally or legally required. All honorarium payments are considered as taxable compensation to recipients and the "Agreement to Pay an Individual (Non-Employee) for Stipend/Award" form found on the [Accounts Payable](#) website must be completed to capture necessary recipient information and be submitted as a Payment Request in SLCCBuy to process the payment.

9. Printing and Copy Services

All printing and copy services, including banners, are to be purchased from SLCC Printing Services. Printing Services has a right of first refusal. If it is unable to complete any orders, they may engage outside service providers or give written permission for a department to purchase the service with an outside vendor.

Copy paper may be purchased from SLCC Printing Services.

10. Promotional/Marketing Items

Promotional/marketing items for training events, conferences, promotional campaigns, advocacy initiatives, and as incentives to specific target audiences are an appropriate expense. These purchases should have a direct benefit to the College, be modest in cost, and have an appropriate return on investment. Departments may make such purchases from SLCC Printing Services, Follett, or from other vendors as appropriate. However, first right of refusal should be given to on-campus suppliers when possible.

Note: Federal grant cost principles disallow the purchase of items described in this section. Cost principles will allow for advertising costs for recruitment of personnel, procurement of goods and services for the performance of the award, program outreach, and some costs related to disposal of

scrap or surplus materials acquired in the performance of the award. For clarification when using grant funds of what is an allowable advertising cost versus a promotional/marketing cost, contact the Grants Accounting Office.

11. Sponsorships

A sponsorship must provide a substantial return benefit of marketing/advertising to the College. Any sponsorship payment that does not provide a substantial return benefit is considered a donation. Donations cannot use Education & General or course fee indexes. All sponsorship payments must be accompanied by the Sponsorship Form found on the [Accounts Payable](#) website and have Executive Approval.

12. Warehouse/Vendor Membership Cards

The College has corporate memberships with Costco and Sam's Club. Departments needing to make purchases from either of these warehouse stores, may checkout the card from Purchasing and Accounts Payable. Departments that make frequent purchases from these stores may purchase their own corporate membership with Executive Approval. These membership cards are for College business needs and are not to be used to make personal purchases.

13. Amazon

The College has an Amazon Business account. Departments must make all Amazon purchases using the College's Amazon Business account by accessing the Amazon Punch-out on SLCCBuy. Departments are not authorized to purchase their own Amazon membership.

IV. Small Dollar/Micro Purchases Using Federal Grant Funds

When using grants funds, departments, to the extent practicable, must distribute small dollar purchases equitably among qualified suppliers. Small dollar purchases may be used without soliciting competitive quotations (up to \$1,500) if the department considers the price to be reasonable and allowable.

Allowability of cost/purchases is determined by Cost Principles (§2 CFR 200 Subpart E) under the Uniform Guidance as promulgated by The Federal Office of Management and Budget. General unallowable costs include but are not limited to food, alumni activities, entertainment expenses activities, selling and marketing costs, employee parking passes, etc. For questions regarding allowability of costs using grant funds contact the Grant Accounting Office.

V. Questions?

If you have questions concerning these Small Dollar Purchase Guidelines please contact Purchasing and Accounts Payable, X4255 or the Controller's Office, X4084.