

COMPTROLLER POLICY MANUAL

	POLICY: CMP 401-03
	Section: 400 Disbursements
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	Responsible office: Comptroller
	Origination date: 01/01/2000
Subject: Prohibited Transactions	Effective date: 01/01/2000
	Revision date: 02/07/2019

PURPOSE

To provide a listing of prohibited disbursement transactions

SOURCE

University policy

POLICY

CMP 401-03: Prohibited Transactions

Certain disbursement transactions are prohibited. The listing below specifies prohibited transactions, although it is not necessarily fully inclusive. References to specific Comptroller Policy Manual sections or policies are provided where applicable. Assistance to interpret specific situations is available from the [Comptroller Office Staff](#). Please note that this policy applies to STUDENT ACTIVITIES as well as all other University activities. All funds that come into the university are considered public funds. This policy not only applies to state funds, but also to local and grant funds.

Prohibited Transactions and Policy References:

Business Meals, Food, and Related Expenses ([CMP 420 02](#))

Use of sponsored project funds unless specifically authorized by the grant or contract.
Use of state funds.

Alcoholic Beverages

Use of university funds to pay for alcoholic beverages, regardless of expenditure purpose.

Bottled Water.

Use of university funds unless the Manager of Facilities Services determines in writing that:

1. no drinking fountain is reasonably close;
2. the cost of installing a drinking fountain is prohibitive.

A copy of the Manager of Facilities Service's assessment must be attached to all procurement documents for bottled water purchased.

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Amazon Prime Memberships, Amazon Business Accounts, and Amazon Mechanical Turk

Direct Vendor Billings

Payment of a vendor invoice of more than \$5,000 billed directly to NAU when a purchase order should have been issued.

Charitable Contributions or Donations

Fines and Penalties ([CMP 109](#))

Payments of fines and penalties are prohibited unless specifically authorized by the appropriate provost/vice president and forwarded directly to the comptroller for proper coding determination. Under no condition can parking, traffic, and library fines be paid with university funds.

Flowers

All types, unless the items are needed in conjunction with an official university event. Authorized purchases for flowers must be paid from local funds.

Graduation Caps and Gowns

Use of state or local (including sponsored project, grant or contract) funds for the purchase or rental of graduation caps and gowns, except for individuals participating in university ceremonies at the specific request of the university, such as platform invitees, honorary degree recipients, sign language interpreters, or other invited special guests who are not employed by the university. Administrators and faculty who are required to participate in ceremonies as part of their university duties may not have regalia rented or purchased with state or local (including sponsored project, grant, or contract) funds.

Internet Reimbursements

Payments for Internet service charges incurred at a non-university residence or office space will be considered prohibited transactions on **all** university accounts, regardless of an account’s funding source.

Legal Fees

All types except those that have been reviewed and authorized by the [President's Office](#).

Personal Clothing

Clothing that is not considered a uniform necessary to perform official University business. (Examples of business necessary clothing are NAU Police and other safety uniforms, facility service personnel, athletic uniforms, health professionals, and shirts for identification of NAU event staff.)

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Use of Personal Rewards Cards

Whenever practicable, the P-Card should be used to make purchases and payments for University business. Travel and lodging arrangements shall at all times be made to produce the most reasonably economical travel cost to the University. Travelers and others making travel arrangements are not to favor certain airlines or hotel chains based upon potential frequent flyer or frequent lodger awards programs.

Loans and Advances to NAU Employees, Students, and Organizations

All types except loans awarded to students by the Student Financial Aid Office.

Gifts and Gift Certificates and Awards

Gifts of any type - including gift certificates - for occasions such as condolences, congratulations, birthdays, boss's day, secretary's day, tokens of appreciation, graduation gifts, etc.

Items that are NOT considered gifts include:

- Items which promote greater participation by students in campus activities that are sponsored by Student Life and paid from non-state, non-sponsored funds.
- Items which promote greater participation by employees, faculty or students in University sponsored events (campus activities, seminars, training etc.), and paid from non-state, non-sponsored funds.
- Items that are used for compensation to participants in research projects.
- Items that are small awards or prizes for campus competitions and are paid from non-state, non-sponsored funds.

The value of a single item may not exceed \$25 and only one item may be given to an individual for each occurrence or participation.

P-Cards may be used to purchase gift cards when they meet this criterion and that in the [P-Card Policy Manual](#).

Items that are purchased for the above purposes must be closely controlled. If gift cards, etc. are purchased, a log of those items must be maintained with the following information:

- Date purchased
- Gift card number / gift certificate number, etc. if applicable

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- Value of the card / certificate
- Date given away
- Name of the person to whom the card is given
- Name of the administrator / faculty who releases the card
- Signature of the recipient

Personal Expenses

Per the [State of Arizona Accounting Manual policy 05-15: Code of Conduct for Employees Engaged in Accounting, Financial and Budgeting Activities](#), transactions must avoid the appearance of personal gain. Some examples include but are not limited to expenditures for TSA pre-checks, airline seat upgrades, passports and related expenses, meetings at movie theaters, supplies for breakrooms, personal phone calls, and personal use of copy machines or printers. University funds shall not be used to purchase certain products for predominantly personal or cosmetic use, such as: nasal tissues, facial tissues, cosmetic wipes, cotton swabs, facial & beauty soaps and cleansers, toothpaste, etc.

Holiday celebrations

Expenditures for holiday receptions, departmental decorations (must be in common space, not individual offices), etc., are permitted only if charged to a gift or other discretionary local department and approved by the appropriate provost/vice provost/vice president.

Kitchen Appliances

For a complete listing of kitchen appliances that may not be purchased, please review [CMP 401-09](#).

Software (needs approval)

All software purchases must be approved, **prior to purchase**, by Information Technology Services and NAU's Accessibility Team. If you are looking to purchase software that is not part of the universities Software Support policy, please review Information Technologies Services "University Software Purchasing Guidelines" on their [Software support page](#) under "Purchasing Software" before making any purchases. You will also need to complete the [Accessibility Approvals/Exceptions](#) form.

Nonresident Alien Work Permits

Use of state or local departments for payments of work permits that nonresident aliens must obtain in order to hold a job in the U.S., unless stated in an offer letter of employment or similar contractual obligation.

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Parking Fees/Decals for NAU Employees and Students

All types, except those purchased for NAU vehicles. Visitor parking fees are, however, permitted for an employee who, on occasion, needs to visit another location in the state in order to conduct NAU business.

Parking, Traffic, and Library Fines ([CMP 109](#))

Use of state or local departments for payment.

Note: Library fines include charges for lost books (replacement fees).

Petty Cash Funds ([CMP 403-01](#))

1. The purchase cost of a particular item must not exceed \$25.00.
2. The purchase cannot be for any of the following purchases:
 - A) Compensation to individuals for services.
 - B) Capital items.
 - C) Food or entertainment.
 - D) Travel

Phone Cards

Purchase of prepaid phone cards. Exceptions can be made in certain circumstances - e.g. researcher who is out-of-state who must call in field results every day and alternate method phone costs are prohibitive.

Purchases From NAU Individuals ([PUR 102](#))

Purchases that are not competitively bid and do not have the proper approval.

State Operating Departments - Funded Purchases ([CMP 111](#))

Summer Sessions - Funded Purchases ([CMP 201](#))

Expense not directly related to Summer Session instruction. All expenses incurred on Summer Session accounts must be directly related to summer Session instruction.

Dues for memberships in community service organizations

For example, Kiwanis, Rotary, etc.

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Transfers ([CMP 303](#))

Transfer of funds to an off-campus bank account or to an organization financially related to NAU, such as the NAU Foundation.

Vendor Invoice Payments Older than Two Fiscal Years

Payment to external vendors where the invoice is more than two fiscal years old, unless approved by the Comptroller.

Child Care

Reimbursements to employees for child care while traveling on University business. Applies to new employees for costs incurred as part of moving expenses, including pre-moving house hunting trips (see CMP 420-03: Moving Expenses for allowable moving expenses)

Textbooks / e-Books

In some cases, single copies of textbooks can be purchased for departmental reference and become property of Northern Arizona University. Textbooks for classroom coursework for use towards a degree etc. are prohibited.

CROSS-REFERENCE

For more information on purchases, see the Purchasing Services Policies and Procedures Manual [PUR 102](#), Conflict of Interest.