OPERATING PROCEDURES

1. **Sales Tax** - Pursuant to RSMo Chapter 144, the University is exempt from paying sales tax on purchases made for use in the conduct of regular activities. The sales tax exemption cannot be used for purchases by individuals for personal use. A copy of the University's tax exempt letter is available from the Purchasing Department. Departments may make copies of the letter as necessary to give to vendors. Some cities and political subdivisions have imposed special lodging taxes on hotel and motel rooms. The University is not exempt from these taxes.

2. **Grant Accounts** - Purchase requisitions submitted for grant accounts must be approved by the Grant Compliance Officer. Grant accounts are subject to the same purchasing procedures as other University accounts. It is recognized that certain grants do not coincide with the University's fiscal year (July 1 through June 30). Consequently, departments with special grant needs should contact the Purchasing Department. However, it should be recognized that year-end audit requirements mandate that the University report all activity, including grants, on a June 30 basis.

3. **Prepayment** - Prepayments and/or deposits will be considered on an individual case basis. Departments must make all attempts to eliminate or reduce prepayments when possible. A purchase requiring prepayment/deposit for any reason must be accompanied by price verification from the vendor. The price verification may be in the form of an order form, a letter from the vendor, current price list, conference registration, etc., and must accompany the purchase requisition. Prepayment checks will not be issued on the basis of telephone quotes. Prepayment checks exceeding $500 will not be issued for commodities, equipment, normal business services, etc. Prepayment checks (deposits) for speakers, entertainers, presenters, etc., will require Vice Presidential level approval if in excess of $3,000.

4. **Conflict of Interest** - (in this context) Only the highest ethical principles are to be employed by all persons involved in the procurement process. No University employee shall knowingly provide preferential treatment to any person or entity which could result in a conflict of interest situation. A conflict of interest exists when some factor (e.g. financial or personal interest) interferes, or appears to interfere, with a purchaser's ability to be completely impartial and loyal to the University's interests.