I. Purpose

To establish guidelines on payment of sales and use tax.

II. Scope

This policy applies to all College faculty and staff employees.

III. Definition

Not applicable.

IV. Policy

As a tax exempt organization, New York Medical College does not pay sales and use taxes unless required by law.

IV. Procedure

A. Sales Tax

1. Purchase orders and check requests

   a. Normally, invoices received from vendors list the College as "Tax Exempt" on the invoice. When the invoice received includes sales tax, the tax is deducted from the invoiced amount and the invoice is processed for payment. A tax exempt form accompanies the check mailed to the vendor.

2. Employee reimbursements

   a. When an employee pays sales tax on an item and requests reimbursement for the total amount including the sales tax,
the College will not reimburse the employee for the amount pertaining to the sales tax.

B. User Tax

1. There are certain taxes (e.g. fuel tax, hotel user tax, airfare tax, etc.) that the College is required by law to pay. Employees should check with the Controller’s Office to determine if the College is subject to specific taxes prior to incurring such expenses.

VI. Responsibility

A. Departments

1. Inform faculty and staff of College tax exempt status.

B. Accounts Payable Department

1. Review invoices, exclude sales tax from payment when appropriate and mail tax exempt forms to vendors.

2. Provide advice and guidance with respect to the interpretation and administration of this policy.