

# TRADE-OUT POLICY

## Definition

A trade out is the exchange of something of value by an individual or merchant in exchange for something of value provided by the University. A trade out results in a direct reduction of expenses or a measurable enhancement in the quality or quantity of the University program or service. Benefits of the trade out should never accrue to the sole personal benefit of any individual.

## Documentation

Something of value received by the University should be reported by the department and recorded as a transaction on the University's accounting records. The monetary value assigned to these transactions will be recorded at the lower of the fair market value of the good or service received by the University or the good or service provided by the University. These transactions should be recorded on the University's accounts on a monthly basis. The tax implications of a trade out will be determined by the Controller's Office. All trade out agreements should be formalized with signed documents. Trade out agreements in excess of \$1,000 value should be processed as a procurement transaction through Purchasing Services.