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|  <p>Category: Financial</p> <p>Policy applicable for: Faculty/Staff</p> | <p><i>Policy Title:</i> Non-Monetary Exchanges</p> <p>Effective Date: 05/01/2009</p> <p>Prior Effective Date: mm/dd/yyyy</p> <p>Enabling Act(s):</p> | <p><i>Policy Number:</i> 2.1.12</p> <p>Policy Owner: Sr. VP for Administration and Finance</p> <p>Responsible Office(s): Controller's Office Office of General Counsel Purchasing</p> |
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Background

Non-Monetary Exchanges (Barter Transactions)

This policy was designed to ensure that non-monetary exchanges are appropriately approved and accounted for. Potential non-monetary transactions include the exchange of goods (non-assets), services (advertising, promotions, tickets, etc.) or the use of fixed assets (property, plant and equipment) for other non-monetary goods, services, or use of fixed assets. Exchanges can be for similar or dissimilar goods, services or use of fixed assets. Please note that it is only the use of a fixed asset (property, plant and equipment) that can potentially be exchanged; transferring ownership of a fixed asset is prohibited.

Policy

The university is committed to following all applicable laws and regulations pertaining to non-monetary exchanges. Exchanges must have a business purpose and the responsible parties must take measures to ensure that the university is receiving equal value for the exchange. Deans/department heads must approve in writing all exchanges valued less than \$1000. Exchanges valued at \$1000 or greater must be approved by the Purchasing Department who will work when necessary with the Office of General Counsel. Pyramiding to bypass the Purchasing Department is forbidden; violations are subject to disciplinary action up to and including termination.

The University of Cincinnati may enter into non-monetary exchange agreements with another entity for:

- Services provided for goods, services or the use of fixed assets
- The use of fixed assets for goods, services or the use of fixed assets

Valuation and Documentation

Accounting for non-monetary transactions will be based on the fair market value (FMV) of the goods, services, or use of fixed assets involved. All documentation regarding the transaction must be forwarded to the Controller's Office to ensure the non-monetary exchange is recognized in accordance with all accounting principles.

Procedure

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| Examples of UC Flex GL Accounts | <i>451101 (Miscellaneous Income)</i> <i>530900 (Advertising & Development)</i> |
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Organizational units may institute policies more, but not less, restrictive than this policy (2.1.12) if desired.

Related links:

[Purchasing Department](#)

Phone Contacts:

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| Office of Vice President for Finance | 556-1299 |
| Controller's Office | 556-3152 |
| Purchasing Department | 556-2388 |
| Office of General Counsel | 556-3483 |