

Northwest Missouri State University

Policy and Procedures Manual

Chapter Finance

Section Tax Exempt Status and Appropriate Use

I. Purpose

This policy explains the University's tax exempt status and appropriate use.

II. Policy

A. Tax Exempt Status

As a State of Missouri institution of higher education, Northwest is exempt from paying state sales taxes. Offices throughout the campus are occasionally required to supply to vendors the University's official "Exemption from Missouri Sales and Use Tax on Purchases" letter. A vendor's written request can be sent to the Finance Office to complete, mail, send by fax or e-mail. Or an office can request a copy of the letter to forward to the vendor. The current exemption went into effect as of July 11, 2002.

B. Appropriate Use

The exemption is to be used for University purposes *only* which are paid from a University account. The exemption may not be used by individuals making personal purchases. Also, the exemption may not be used by University affiliated organizations, such as student clubs or associations, making purchases with funds other than from a University account.

PLEASE NOTE: An exemption letter may be requested before a purchase is made from a vendor who has never done business with the University.

C. Resale of Purchased Items or Services

Purchases made for the University are exempt from payment of sales tax. However, any department or organization selling tangible personal property or services must collect sales tax. For example, a department sells copies of an internally produced workbook. Contact the Bursar's Office, ext. 1106, to be assured that the sales of purchased items or services are being conducted in compliance with the law and established procedures.