March 25, 2003

TO: Deans, Department Heads, Business Managers & Account Administrators

FROM: Linda Timm, Assistant Controller

SUBJECT: NIU Policy Regarding Pepsi Purchases

Northern Illinois University entered into a ten year, exclusive contract with Pepsi to provide beverages. The University receives in excess of $8,000,000 from this exclusive arrangement. The President has decided the primary purpose for these funds is to benefit our students. The USOAR grant program, which was recently publicized, is just one example of how the University is using the funds.

Northern Illinois University’s contract with Pepsi Americas is an exclusive arrangement; it does not allow the purchases of competing products. Accordingly, the University will not pay or reimburse such purchases; they will become the personal responsibility of whomever purchases them.

If your department needs beverages for University business purposes (such as open houses for students), a separate account needs to be established with Pepsi. Please contact Jean-Ann Thomas in Procurement at 753-9558. An account will create the opportunity for you to order beverages as needed which will be delivered directly to your department.

Should your needs be sporadic and limited, you may order beverages through Holmes Student Center, who will in turn bill your department for your purchases. You will be responsible for the pick-up of the product (non-refrigerated). Please contact Mary Lou Rempfer at 753-1751.

Compliance with these procedures will ensure that your departmental needs are met and bills are paid with university funds. Violation of these policies will mean that the purchaser will NOT BE REIMBURSED from ANY source of funds, including the FOUNDATION.

Pepsi has a large variety of products, including soda, sports drinks, and bottled water. A detail listing of Pepsi products is available at: http://www.finfacil.niu.edu/Accounting/PepsiProduct.doc