

VENDOR MARKETING DISCOUNTS TO GOVERNMENT EMPLOYEES

FREQUENTLY ASKED QUESTIONS (FAQs)

1. What is a “Vendor Marketing Discount” to employees?

“Vendor Marketing Discounts” to employees allows employees of certain employers, both public and private, to purchase products and services from a vendor at a discount. Some vendors may refer to it as their employee purchase program or discount. This is a vendor led marketing program between the vendor and the employee. The State is not involved with it.

2. What state contracts are available for use by state employees to purchase computer equipment and related products under M.S. 16C.03 Subd. 9?

All state contracts which provided computer equipment and related products for state employee purchase expired on or before June 30, 2010. There are no new contracts available.

3. Can a State executive branch employee use a “vendor marketing discount for government employees” and not be in violation of M.S. 43A.38 Subd. 2 which prohibits gifts?

MMB PERSL #1332, December 10, 1996, addresses the issue of “employee discounts” and whether state employees can take advantage of special discounts or offers made by private businesses to “government employees” without violating the Code of Ethics for Executive Branch employees. Specifically, would acceptance of a special discount or offer violate the prohibition on employees accepting gifts or violate the conflict of interest prohibition?

PERSL #1332 found that special discounts or offers made generically to “government employees” are generally not a violation of the Code of Ethics prohibition on gifts. When a special discount is offered to “government employees” in general, it is most likely a marketing strategy of the private business to increase their business, not to influence the work responsibilities performed by a government employee.

Employees may generally take advantage of these offers, unless a conflict of interest is involved where the work responsibilities of the state employee directly concern the private business that is making the offer. An example would be an employee whose work responsibilities are the licensing of health club facilities, cannot accept a special discounted membership for government employees. This is because the employee’s work responsibilities have a direct connection to the business and would create a conflict of interest.

4. What companies offer a “vendor marketing discount to government employees”?

Many companies offer a “discount to government employees” as a standard marketing tool. They may also provide discounts to senior citizens, retirees, AARP members, AAA members, military personnel, and other groups. Some actively display such on their web sites. Others may not publicize it but do offer it if requested. The amount of the discount may vary considerably depending on the “group” and/or the product or service being purchased. The discount may be a specified amount or a percentage of the purchase price.

5. What do I need to do to get a “vendor marketing discount to government employees”?

If it is not obvious on the vendor’s web site or other marketing information, the first step would be to ask the vendor. At the very latest this should be done at the time of ordering or making a reservation. The process is usually different for each vendor. Some may require a “government employee” ID be presented, others may require a government email address or program code to insure that the purchaser is a government employee and entitled to the discount per their marketing program.

6. Is the Microsoft Home Use Program (HUP) a vendor marketing program?

The Microsoft Home Use Program (HUP) is a global vendor marketing program which allows employees of both public and private entities with a Microsoft Volume License Services (MVLS) agreement, sometimes referred to as an enterprise agreement, to obtain a copy of the desktop applications in Microsoft Office Systems for which they are licensed to install on one of their home computers for personal use only. A program (authorization) code issued by Microsoft allows employee access to the Microsoft HUP website. This program code is available from agency Microsoft coordinators.

The Home Use Program is a standard part of all the MVLS agreements used by both the public and private sector. It is not available to the general public and the eligible employee must work for a public or private employer who has a MVLS agreement. The eligible employee is allowed to use the HUP software for *their personal use on one home computer*. This is incidental to the MVLS agreement and does not incur any additional cost to the State. The HUP software license is not considered state property under M.S. 43A.38 Subd.4 since the state does not pay for, own or have any interest in the license. The right to use this license owned by Microsoft is purchased by the employee.

The Microsoft software is licensed through the HUP solely for the use of employees of MVLS customers participating in the HUP program. An employee's eligibility to license given software title under HUP is conditioned upon:

- (a) the employee being a user of a licensed copy of the software within the MVLS customer's organization, and
- (b) enrollment of that copy in Software Assurance.

Software Assurance ensures that the user organizations have access to the latest Microsoft software and provides a range of benefits delivering productivity enhancements, support and tools and training. The Home Use Program is one of the productivity-enhancing benefits of Software Assurance.

7. How do I access and use the Microsoft Home Use Program (HUP)?

Each eligible employee may order only one license per Microsoft software title for use on one home computer. The eligible employee is given an authorization code, which is available from their agency Microsoft coordinator, and orders the software using the Microsoft web site:

http://www.microsofthup.com/hupus/home.aspx?dialect_id=en-US&country_id=US

Be sure to click on the "FAQ" tab on the above Microsoft HUP website and review all the information regarding the program. This includes information on program eligibility information; purchase & order support; technical information; products, licenses & options; activate, install & download; returns, refunds & exchanges; and Microsoft contact

The employee needs to have their complete billing and shipping address, phone number, work email address, contact information, and credit card information available. After initially entering the authorization information, Microsoft will email a secure link to the email address specified (must be work email address). This link enables the employee to continue with the ordering process.

The employee must use their personal credit card to pay Microsoft for their cost to participate in the program. The current cost (subject to change) is \$29.90 (includes shipping and handling) plus sales tax. This cost includes \$9.95 for the software and \$19.95 for the back-up USB flash drive which may be shown under "other products" on the web site. The credit card transaction uses Microsoft's secure Web site. The software USB flash drive is mailed to the employee's home. Delivery usually takes 5-7 days after the order is processed.

8. Are there restrictions regarding the Microsoft Home Use Program (HUP)?

The HUP provides the latest commercially available version of Microsoft Office software. The HUP software is subject to the same activation requirements and benefits as commercially available Microsoft software. Each qualified employee is entitled to only a single license of a qualifying Microsoft software program to be installed on one employee's home computer. The HUP license extends only to the qualified employee and may not be given away or sold. Employees may not make additional copies of the software. You are legally obligated to uninstall any previous versions of Microsoft Office software purchased under HUP before the later version is installed since using only one license is allowed.

There is no specific expiration date to the HUP license. The employee's license for HUP software is valid as long as they maintain current employment and the State maintains its Software Assurance coverage with Microsoft. If the employee terminates employment with the State or the State discontinues its Software Assurance coverage, the employee's license terminates and the employee should discontinue use of the software.

9. Are there any requirements for the State regarding the Microsoft Home Use Program (HUP)?

The End User License Agreement for the software licensed through the HUP is an agreement between Microsoft and the employee. Microsoft will not hold the State responsible, nor does the State accept any responsibility, for any individual employee's failure to comply with the terms and conditions of that agreement.

The State may request and Microsoft will provide, from time to time, limited information pertaining to its employees' HUP license acquisitions such as employee name, email address, purchase date and software titles. Microsoft may terminate participation in HUP immediately and without notice in connection with unauthorized access to or licensing through the HUP website. The State is only required to take reasonable steps:

- a. to restrict access to the HUP website only to eligible employees (only eligible employees should be directed to the HUP website, and
- b. to ensure that the employees' license acquisitions comply with the program requirements.

For more information go to: <http://www.microsoft.com/hupus/faq.aspx?culture=en-US>

NOTES:

1. **The above FAQ's and the State do not endorse, recommend or promote any vendor marketing program and are for informational purposes only.**
2. **Performing state work at home is subject to employer authorization and supervision, whether or not a home computer is used.**