PROCUREMENT SERVICES

ORDER & PAYMENT PROCEDURES
REFERENCE GUIDE

I. Placing an Order

A. Please be aware that ***all*** orders of $5000 or over ***must*** be submitted via Purchase Order or it may not be authorized for payment.

B. Use multiple-part Requisition Form (AKA Purchase Order Requisition) obtained from Procurement Services OR the electronic version on the Procurement site.

C. Fill out form *completely*, including: dates, item description, quantity or amount(s) needed, price per item, total cost, account(s) to be charged, and complete vendor information.

D. Requisition form <u>must</u> be signed by both the person requesting the item and the department head/manager (i.e. Dean, Director, etc.).

E. Consolidation of orders: if multiple orders are being placed and all of the following apply, please consolidate onto one Purchase Order Requisition:
   1. All orders going to same vendor
   2. All orders originating from same department
   3. All orders can be consolidated and shipped together

   (Note: This allows for cost-savings not only by cutting back on the use of multiple-part Requisition Forms, but also maintains a minimum order amount which most vendors require in order for the University to receive discounts on shipping and handling, as well as avoid any other "small order" costs.)

F. For ***all*** orders that include printing, such as t-shirts or promotional materials, and the University logo is to be used, approval ***must*** be given by the Marketing department in writing prior to submitting the order to Procurement Services.

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G. If the order is $5000 or over, three (3) quotes must be attached, unless specific purchase does not require quotes (refer to Procurement Services for specifics.) Note: there are exceptions to this rule for both the OIT and Facilities Departments.
H. When all above is done, send the form to Procurement Services.
I. When order is processed Procurement Services will assign a Purchase Order Number, place the order (including faxing, emailing or mailing out the PO), and will return a copy of the Requisition Form with Procurement approvals back to the department that placed the order.
J. Once the Colleague Self-Service module is available, all PO's should be completed electronically and sent to Procurement Services via the Colleague system.

II. Receiving an Order

A. Before accepting the order, please check to make sure:
   1. Items (and quantity/amount) are correct according to what was ordered, unless items are back-ordered and noted on packing slip.
   2. Order is being delivered to the correct department.
   3. Everything in the order is unbroken and/or working properly.
   4. Cost of items/order corresponds to quoted price(s).
B. When receiving the order, make sure to retain a copy of a packing slip or bill of lading to turn in to Procurement Services with the invoice when it arrives.

III. Presenting an Invoice for Payment when Purchase Order has been Submitted

As a note here, ALL payment requests must be received in Procurement Services no later than 4:00 pm on Mondays to be included in that week's Check Run

A. If Invoice is given/mailed directly to the department that placed the order:
   1. Look over invoice and make sure everything is correct (compare to packing slip if received).

2. Have department head/manager (or other authorized receiver) sign the invoice.
3. Put the account number(s) to be charged on the invoice.
4. If a hard-copy Requisition was used to place the order, attach the Receiving Copy (green) to the approved invoice, along with the packing slip and/or bill of lading if order was for goods or supplies, and send to Procurement Services.
5. For orders where no Purchase Order was submitted, see steps in section **IV** below.

B. If an invoice is sent to Procurement Services:

1. The invoice will be stamped "Approved for Payment" and sent to the department that placed the order. Fill out all information requested by stamp.
2. Follow steps above (Section A) to check invoice and get the appropriate signatures.
3. Attach copies of all other paperwork (packing slip and PO receiving copy), and send all to Procurement Services.

IV. Submitting an Invoice for Payment with No Purchase Order

A. NOTE #1: If an invoice has been received for a purchase: *NO PURCHASE ORDER SHOULD BE SUBMITTED AT THAT POINT* (please see note E below).

B. NOTE #2: In any and all circumstances where a Purchase Order **can** be submitted for an order, a PO **should** be submitted. Only in those situations where a PO is not possible should an order be placed by the department and an invoice sent later to Procurement Services. Examples of exceptions:

1. Orders placed using a University ProCard (should *never* be $5000 or over)
2. Monthly utility bills (i.e. gas, electric, phone, etc.).
3. Staples or WB Mason online purchasing.

C. If an invoice arrives in the department, follow the same steps as above:

1. Look over invoice and make sure everything is correct (compare to packing slip if received).

2. Have department head/manager (or other authorized receiver) sign the invoice (Note: the signature **must** be on the invoice, and not on any accompanying documents. Please see note **D** below).
3. Put the account number to be charged on the invoice.
4. Date the invoice according to when it was approved.

D. If an invoice is sent to Procurement Services:

1. The invoice will be stamped "Approved for Payment" and sent to the department that placed the order. Fill out all information requested by stamp.
2. Follow steps above to check invoice and get the appropriate signatures.
3. Attach copies of all other paperwork (i.e. packing slip & other shipping paperwork), and send all to Procurement Services.

E. As a note, please do **not** attach any form of a Check Request, Purchase Order Requisition, or other unnecessary documentation to the invoice when there is no Purchase Order affiliated with it.

V. Using a Check Request form

A. When payment is required to be made and no Purchase Order has been submitted, or no invoice is available, please use the Check Request form (***must*** be on **yellow** paper), which has been specifically designed for these types of payments.

1. Please fill out the form as completely as possible. If there is information missing that is required the request form will be returned for completion.
2. The signatures of a manager (or department head) as well as the payment requestor must be on the Check Request form.
3. Any and all pertinent documentation must be attached as backup. Backup should clearly state:
    a. Who is being paid
    b. How much is being paid
    c. Why (for what purpose) payment is being made
4. As with invoices, attach quotes when required.

5. Send the completed form to the Procurement Services department. The Check Request will be processed similar to an invoice, and paid according to the date required, provided it arrives in time.

B. The check will automatically be sent out to the requested recipient unless "Hold check…" is checked off. If a check is to be held please check off that request, and attach an envelope with the **name of the person picking up the check from Enrollment Services** on it. Checks are available for pickup on Friday mornings.

C. Examples of situations when a Check Request form should be used are:

1. Any type of subscriptions or orders where the "invoice" is actually an order form or registration form and needs to be sent in to the vendor.
2. Registrations for conferences or seminars when the forms need to be sent in to the vendor.
3. Performers, speakers, refs/umps, honorariums, etc., that perform or do work at the University and require payment, but have no formal invoice.
4. Any deposits that are required to be sent out to hold an order (i.e. a student event or excursion).
5. Reimbursement for goods or supplies purchased on behalf of the University (not including travel-related reimbursement; see instructions for TME reimbursements below)
6. Other instances as outlined above, but **not** to be confused with a Request for an Advance.

VI. Submitting a Request for Advance for Faculty and Staff

A. All requests for Advances, ***except*** *for those for students,* are to be submitted on Request for Advance forms available through Procurement Services (and **must** be printed on **blue** paper).

B. As with all forms, this should be filled out as completely as possible.

C. Also like all other forms this **must** have authorized signatures to process: that of the person requesting the Advance, and a manager or department head.

D. Please be sure to read and familiarize yourself with the Advances Policy found on the back of the Advance Form.

E. Examples of instances where an Advance Form should be used are:

   1. When items are to be purchased on the University's behalf and a ProCard is either not available or not accepted, the purchase is immediate, and the purchaser does not wish to use a personal method of payment.
   2. When travel is necessary on the University's behalf and an advance is needed for covering miscellaneous expenses that cannot be covered with a credit card or ProCard (Note: advances are not to be used to purchase airline tickets, rail passes, etc. Please refer to the Advances Policy for all specifics and procedures).

F. When Advances are submitted the check will be made available the following Check Run:

   1. The check for the Advance cannot be mailed out as the signature of the recipient is required to pick it up.
   2. Checks are available in Enrollment Services on Friday mornings.

VII. Submitting a Request for Advance for Students

A. All requests for Student Advances are to be submitted on Student Advance forms available through Procurement Services (Note: this form can be submitted on white (plain) paper, so a copy can be printed out; that said, please be aware that there is the Student Advance Policy on the back of the original form).

B. As with all forms, this should be filled out as completely as possible.

C. Also like all other forms this **must** have all authorized signatures to process: that of the student requesting the advance, and a manager or department head.

D. Please be sure to read and familiarize yourself with the Student Travel and Cash Advance Policy found on the back of the Student Advance Form.

E. Examples of instances where a Student Advance Form should be used are:

1. When items are to be purchased on the University's behalf by a student and a ProCard is either not available or not accepted, the purchase is immediate, and the student does not wish to use a personal method of payment.
2. When student travel is necessary on the University's behalf and an advance is needed for covering miscellaneous expenses (please refer to the Student Travel and Cash Advance Policy for all specifics and procedures).

F. When student advances are submitted the check will be made available the following Check Run:

1. The check for the Advance cannot be mailed out as the signature of the recipient is required to pick it up.
2. Checks are available in Enrollment Services Friday mornings.

VIII. Expense Reimbursements (TME Reports)

A. A reimbursement for expenses (TME Report) should be used **only** for reimbursement of travel, meals, and/or entertainment. Note: Purchases for *goods* or *supplies* to be reimbursed should be submitted on a Check Request form (see Check Request instructions above).

B. Anyone traveling on behalf of the University should be aware of all travel-related policies and procedures *before* leaving for the trip. This includes limits on meals (per diems), limits on tipping amounts (15%), etc.

C. For all International Travel, an International Travel Form must be completed and submitted to Procurement services *before* leaving for the trip.

D. Always be sure to use the latest and most up-to-date TME Report, available online on the Procurement Services page of the University's website. The University uses the IRS Mileage Reimbursement guidelines, which change at least annually, as well as other info or policies which may also be updated or changed periodically.

E. All expenses are to be submitted within **15 days** of the completion of the travel or event. Any expenses submitted after this period may or may not be reimbursed, at the discretion of the University. Additionally, any expense **60 days or older** that is submitted for reimbursement may or may not be approved, but even if it is approved the payment will be submitted through Payroll and will become taxable income.

F. The Expense Reimbursement form **must** be signed off on by the traveler or person incurring the expense, and by a manager or department head.

G. All original documentation should be attached and submitted with the form.

1. For mileage reimbursement, printed directions (Google Maps or MapQuest) with total mileage must be submitted.
2. All mileage **must** be calculated starting from the University's address.
3. For tolls, a traveler can print out the appropriate info from the MA Turnpike Toll Calculator page.
4. For meals *other than* fast-food, both the itemized receipt and credit card slip **must** be submitted.
5. For all other receipts, including airfare, ground transportation, lodging, etc., all charges **must** have supporting documentation, including **boarding passes** (when available) for all trips.
6. Undocumented tips, such as for bellhops or parking attendants, are reimbursable only at the discretion of the traveler's manager/department head as well as the Procurement Services department, and must be reasonable and not excessive.

H. In cases where an Advance is taken, an Expense Reimbursement is to be submitted to "clear" the advance.

1. All steps above must be adhered to.
2. If the expenses are **greater** than the Advance taken, a check will automatically be processed in the amount of the overage to reimburse the person submitting the TME Report.
3. If the expenses are **less** than the Advance taken, the person who received the Advance and is submitting the TME Report **must** submit the remaining funds from the Advance at the time the TME Report is submitted.

I. As with all forms, the TME Report must be completed entirely, including signatures and a valid account number.

J. Any reimbursements required will be processed the following Check Run after being submitted, and will be mailed out to the recipient's address *unless* the form is clearly marked "HOLD" and an envelope is attached with the name of the recipient printed on it, at which point it will then be held for pickup at Enrollment Services.

IX. Petty Cash Reimbursements

A. A Petty Cash Reimbursement can be submitted using a Petty Cash Reimbursement form.

B. Petty Cash Reimbursements are only for reimbursements for *goods* up to $50.

C. Any reimbursement over $50 needs to be submitted on an appropriate reimbursement form (TME if travel-related, or a Check Request).

D. Any reimbursement for travel (mileage), regardless of amount, needs to be submitted via a TME Form.

E. As with any reimbursement, proper backup documentation and authorization signatures are required, as well as an appropriate and active account to charge.

F. Once completed and approved, the Petty Cash form can be taken to Enrollment Services and cash will be provided on the spot.

X. Misc. Notes

A. Invoices will be paid according to due date and date received in Procurement Services.

B. All payment requests are processed on Wednesdays, and checks cut on Thursdays, so all payment requests **must** be received by Procurement Services on time (deadline for processing is end of the day on **Monday**) in order to get punctual payments made and avoid late fees, which will be charged to the same account as the order.

C. If there is a discrepancy regarding the order (price, quality, wrong item, etc.) a department can call Procurement Services and have the payment held until authorized by the department. Procurement Services is also available to aid in researching and/or following up on discrepancies.

D. If a department receives an original invoice, Procurement Services *has not* received a copy (in most instances) so please forward the invoice (with all appropriate signatures) to Procurement Services.

E. If Procurement is directed to charge an invoice to an account with insufficient funds we will either call the requesting department or return the invoice to that department to either have money transferred to the account or to use a different account to charge (Note: the account *must* be appropriate to the purchase). This holds up the invoice processing, and can result in late fees being accrued and charged to the accounts of the department placing the order.

F. When placing an order, please note the guidelines for MHEC & WNE Quotation Requirements:

1. If an order is $5000 up to $49,999.99, a department must seek three (3) quotes. These can be faxed to the department from the vendor, e-mailed, or received via mail. All quotes must be attached to the Requisition Form when submitted. A department isn't required to accept the lowest bid, but should attach an explanation if a higher bid is accepted.
2. If an order is $50,000 or over the department must provide three (3) competitive bids. This can be done with the assistance of Procurement Services, but can be done by the department placing the order according to procedures outlined by the Procurement Services Department and with proper bid forms obtained through Procurement Services.
3. The exceptions to the above rules include the OIT and Facilities Departments who have been given special dispensation for order and payment requirements.

G. In cases when invoices are received for monthly charges (i.e. leases, office machine rentals, etc.) the invoices are usually sent directly to Procurement Services. In these cases *only* there is no need for an authorizing signature in order for payment to be processed.

H. In instances where a new employee is placing orders for their department please make sure that they are aware of and follow all proper procedures. Students placing orders should do so through the Student Activities or other student-related department.

I. No sales tax is *ever* to be paid by the University. Examples of other types of tax that the University actually ***is*** liable for include:

1. Lodging.
2. Travel (i.e. airline tickets).
3. Dining and meals taxes (i.e. tax on prepared foods).
4. “Built-in” state and federal taxes, such as on gasoline.

J. If an invoice is sent to Procurement Services for payment and there are no terms specified in regards to when it needs to be paid, the policy is to pay those unmarked invoices as “Net 30,” or 30 days after the Invoice date. If an invoice isn’t marked, but needs to be paid sooner than “Net 30,” please clearly mark on the invoice the requested date of payment.

K. If any invoice/receipt is missing as backup for either a TME form (travel reimbursement), a Check Request (if being used for reimbursement), or a transaction done on a ProCard, it’s the responsibility of the individual to reproduce a copy of that invoice, or he/she may be liable for the amount, either by having the amount deducted from the total being reimbursed to them (TME or Check Request form) or by the purchaser being required to make a reimbursement to the University (ProCard charge). The only exception to this rule is for any invoice/receipt that is *under* $25, an Explanation of Missing Documentation form can be used, but only in extenuating circumstances where getting a copy of the invoice/receipt is impossible or unfeasible.

L. If anything is unclear, or there are any questions not answered by this reference guide, please call the Procurement Manager at extension 1747, or from off campus at (413)782-1747.