Procure to Pay from Start to Finish

Presented by
Anna Leddige & Eileen Johnson

October 2017
Meet our Staff

• Procurement Services Staff
• Payment Services Staff
Topics

• Essential Information
• Questions PRIOR to purchase
• Coding Purchases
• Specifics on Types of Purchases
• Contract Templates
• Procurement Forms
• Payment Processes
Remember ..... 

• All purchases at the University must have a documented business purpose.

• “As a public institution, the University must demonstrate the prudent use of funds entrusted to it by its various constituencies. The general public, legislators, students, donors and granted organizations and individuals must be assured that funds are wisely spent and do not personally benefit University officials and employees.”
Essential Information

• UND is sales tax exempt in ND
  – For items purchased in or shipped to ND
  – Certificate number: E-2001
  – Number is embossed on University Purchasing Card
  – Tax exempt status in other states
    • http://und.edu/finance-operations/associate-vp/state-tax-exempt-certificates.cfm
Essential Information

• Excluded/Debarred Vendors
  – UND is required to comply with OMB Circular A-110, which addresses debarred and suspended parties.
  – Department is responsible to review
  – The list of federally excluded and suspended parties is available at [www.sam.gov](http://www.sam.gov).
  – Further details and instructions can be found on the [Procurement Services website](http://Procurement Services website).
  – Please contact Procurement Services if you have any questions on Excluded vendors.
Prior to Purchase

• What is the business purpose of the purchase?

• What am I purchasing?
  – Commodity (tangible item) or Service

• How much does it cost?
  – Determines necessary Procurement documentation

• Do I have the funds to make the purchase?
  – Check your budget and/or cash/fund balance
Prior to Purchase

• What expense account will I code this purchase to?

• What form of payment will I use?
  – Does the vendor accept a credit card
    • UND Purchasing card
      – Cannot use if Grant funded – must charge to local fund
  – Electronic payment process (Perceptive Content)
    • Generates a check or ACH (direct deposit)
Additional Information

• Coding your purchase
  – Account number listing
  – Account number description
    • Appendix A of the NDUS Accounting Manual (page 105)

• Purchasing Card
  – Purchasing Card information and procedures
    http://und.edu/finance-operations/purchasing/purchasing-card.cfm
  – Confirm vendor acceptance
Purchase Value

• Commodity purchase
  – Purchase price
  – Shipping/handling
  – Other related charges
    • Installation
    • Maintenance agreements

• Service purchase
  – Initial term of the service
  – All possible renewals/extensions
  – Example: The value of a one-year contract estimated at $15,000 per year, with 3 renewal options is $60,000.
# Procurement Guidelines - Commodities

<table>
<thead>
<tr>
<th>Purchase Price</th>
<th>Quote/Bid Requirement</th>
<th>Documentation Maintenance Requirement</th>
<th>Procurement Services Involvement needed</th>
</tr>
</thead>
<tbody>
<tr>
<td>$5,000 or less</td>
<td>None</td>
<td>None</td>
<td>No</td>
</tr>
<tr>
<td>More than $5,000 but less than $10,000</td>
<td>Informal quotes or proposals from more than one vendor shall be solicited, when feasible.</td>
<td>None</td>
<td>No</td>
</tr>
<tr>
<td>From $10,000 but less than $50,000</td>
<td>Informal quotes or proposals from more than one vendor shall be solicited. If quotes are not received from more than one vendor, the Alternate Procurement Request form, or other non-competitive exception document is required.</td>
<td>Required</td>
<td>Yes</td>
</tr>
<tr>
<td>$50,000 and over</td>
<td>Must be purchased from formal bid process or a Request for Proposal (RFP).</td>
<td>Required</td>
<td>Yes</td>
</tr>
</tbody>
</table>
Commodity Purchases

- Furniture
- Printing (envelopes, letterhead, business cards, etc.)
- Logoed/Promotional item
- Computer Software/Hardware
- Supplies
- Equipment
- Licenses
- Food
- Dues & Memberships
- Awards/Prizes

Purchase Value
For commodities, the entire amount of the purchase price including shipping and handling and all other related charges, such as installation or maintenance agreements is to be included.
Commodity Purchases

• Furniture
  – Quotes for office systems furniture must be obtained from two vendors from [State Contract #049](#), issued by the North Dakota State Procurement Office: Do not need to award to low quote. Select quote that best fits your specifications.
    • Blue prints must be approved by Planning, Design & Construction Department prior to purchase & installation.
    • [Approved Vendors](#) on our website
  – Purchase of case goods (furniture other than Office Systems furniture) must follow the commodity policy.
  – **Purchase Value:** For furniture, the entire amount of the purchase price including installation.
Commodity Purchases

• Printing
  – Duplicating Services
    • Photocopying, duplicating, and printing of official UND stationery (letterhead and business cards)
  – Envelopes
    • #10 window and non-window envelopes are to be purchased through the awarded bidder listed on the Procurement Services Website
    • Orders can be placed on UND Purchasing Card
Commodity Purchases

• Printing (Cont’d)
  – Other Printing Needs
    • Award to a North Dakota vendor
    • Printing vendors & quote form are located on the Procurement Website under:
      – Printing Vendors
      – Quote Form for jobs under $10,000.
  – Department is responsible for documentation on purchases under $10,000.
Commodity Purchases

• Logoed/Promotional item
  – TURF (Trademarks Use Request Form) no longer required when using vendor from approved vendor list: http://und.edu/identity/licensing/internal-procedures.cfm
  – If Vendor is not listed, the TURF is still required
  – Review policies and procedures: http://und.edu/identity
Commodity Purchases

• **Computer Software / Hardware**
  
  – UND Software Store can be utilized on UND owned machines. Work through your Department Software Coordinator.
  
  – Nonstandard Hardware & Software Purchases: Refer to the [Nonstandard Hardware & Software Purchases](#) policy on CILT webpage

• General Counsel: Department is responsible for contacting General Counsel for review and approval of contracts or agreements prior to submitting form
Commodity Purchases

• Supplies
  – Supplies includes items used in an office setting, research, lab, instructional etc.
  – Supplies are consumable and usually don’t last more than a year.
Commodity Purchases

• Equipment
  – Expendable
    1) an extended useful life in excess of one year,
    2) an identity which is not altered materially through use
    3) an acquisition price (invoice cost less discounts, plus freight charges, plus trade-in value given) is less than $5000.
      – i.e. shelving units, coat racks, cabinets, etc.
  – Capital
    1) an extended life in excess of one year,
    2) an identity which is not altered materially through use
    3) an acquisition price equal to or greater than $5000.
Commodity Purchases

• Professional Licenses
  – Required or preferred in position description
  – “Add value to quality of instruction, research or services to Students and/or the University.”
Commodity Purchases

• Food
  – All purchases of food require
    • Type of function
    • Location of function (city and state)
    • Date of function
    • Meal served (breakfast, lunch, dinner, break)
    • Number attending
    • List of those attending
    • Itemized, original receipt/invoice; credit card slip or statement is not acceptable
  – Any food purchases in excess of 125% of the per diem, need to have written justification for the excess spending.
Commodity Purchases

- Food (Cont’d)
  - **Group Meals Policy**
  - **Meals Table**
    - A quick reference that is helpful when processing payments for food

**EXAMPLES OF FOOD AND BEVERAGE PURCHASES**

Any meal or snack purchased with University funds must have a documented business purpose and when the average cost per person of the meal exceeds 125% of the individual GSA per diem rate, written justification for reasonableness must be provided.

<table>
<thead>
<tr>
<th>FUNCTION</th>
<th>ALLOWABLE</th>
<th>CLARIFICATION/COMMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recruitment of faculty and staff</td>
<td>YES</td>
<td>Staff members may be reimbursed for meal expenses incurred while recruiting staff and faculty. The expenses for the candidate's spouse/guest and the spouse/guest of the institutional host(s) are allowable.</td>
</tr>
<tr>
<td>Business meetings with University Guests</td>
<td>YES</td>
<td>Purchases of meals or snacks for business meetings attended by University employees and guests such as a speaker, etc., are allowed.</td>
</tr>
<tr>
<td>Employee Retreat</td>
<td>YES</td>
<td>Purchases of food and beverage are allowable for Employee Retreat.</td>
</tr>
</tbody>
</table>
Commodity Purchases

• Memberships & Service Club Dues
  – Require a statement including:
    • the business purpose
    • why the membership is required
    • The benefit to the University
  – Limit of 12 months without cost saving justification
Commodity Purchases

• Awards & Prizes
  – Awards to employees
    • subject to tax withholding
    • processed through the Payroll Office
  – Awards to UND students
    • If considered financial assistance
      – processed through the Student Financial Aid Office
Commodity Purchases

• Awards & Prizes (Cont’d)

– For all recipients of cash awards, cash equivalent awards (gift cards/gift certificates) or merchandise prizes:
  • The purpose of the award
  • Name and home address of the recipient
  • Last four digits of Social Security Number or EMPLID of the recipient

  – This information will be filed with the payment document and is necessary for compliance with Internal Revenue Service reporting requirements.
## Procurement Guidelines - Services

<table>
<thead>
<tr>
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<td>None</td>
<td>None</td>
<td>No</td>
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<tr>
<td>More than $10,000 but less than $50,000</td>
<td>Informal quotes or proposals from more than one vendor shall be solicited, when feasible.</td>
<td>None</td>
<td>No</td>
</tr>
<tr>
<td>From $50,000 but less than $100,000</td>
<td>Informal quotes or proposals from more than one vendor shall be solicited. If quotes are not received from more than one vendor, the Alternate Procurement Request form, or other non-competitive exception document is required.</td>
<td>Required</td>
<td>Yes</td>
</tr>
<tr>
<td>$100,000 and over</td>
<td>Must be purchased from formal bid process or a Request for Proposal (RFP).</td>
<td>Required</td>
<td>Yes</td>
</tr>
</tbody>
</table>
Service Purchases

- Consultants
- Speakers
- Participant Fees Services
- Professional Search
- Streaming / Media Services
- Advertising
- Transcription Services

**Purchase Value**
For services, the entire amount of a service contract includes the initial term and all possible extension and renewal options.
Employer-Employee vs. Independent Contractor

• Is the individual being paid an employee or an independent contractor?
  – Determination of Worker Status Form

• Employees paid through Payroll

• Payments to individuals for services
  (i.e. guest lecturer, discussion leader, etc., ):
  – The individual is not currently employed by the university.
  – The individual has not been employed during the calendar year.
  – The individual is receiving a one-time total payment for these services.
Contract Templates

Contract Templates: UND standard agreements have been pre-approved by General Counsel ensuring risk mitigation and timely processing of payments.

- **Service contract**
  - Utilize when a service is being performed under $50,000.
  - Should be utilized for a maintenance agreement

- **Consultant Contract**
  - Utilize when a department is looking for advice & feedback on current process under $50,000.
  - Contract needs to be executed before the consultant begins working.

- **Guest Speaker Contract**
  - Utilize when a department employs a guest speaker under $50,000.
  - Contract needs to be executed before the guest speaker begins the speaking engagement.
Contract Templates

• Available in Procurement & Payment Services
  – Commodity Contract
    • Utilize when purchasing property, including equipment, supplies, materials, printing, insurance, and leases of equipment over $10,000
  – Furniture Contract
    • Utilize for delivery, set up and installation of furniture

• Contact Procurement Services to create above contracts.

• Contracts are highly recommended for a high risk purchases under procurement thresholds.
Contract Review & Authorization

- All non standard UND contracts are required to be reviewed by General Counsel. **Departments are responsible for working with General Counsel prior to submitting to Procurement & Payment Services.**

- After General Counsel’s approval, the [Contractual Signature Policy](#) must be followed for the appropriate signature. The president has delegated signing authority to particular positions based upon the type of contractual agreement and dollar amount.
  
  – Most individuals on campus do not have signing authority
  
  – This is a different list than the Financial Signature Authorization

- Include the signed contract and General Counsel’s review when submitting a Purchase Requisition or Payment Request
Contract Management

• Procurement & Payment Services manages all contracts with one of the following criteria:
  – Total Contract Value including all possible renewals is over $25,000
  – Contract length of 1 year or greater

• Centralized Contract Database within Perceptive

• Track and manage contract milestones, amendments, price increases and renewals.
State Contracts

- Contracts have been competitively bid based on spend from a larger group allowing greater discounts.
- Does not require bid or RFP process through Procurement Services
- Work through Procurement Services on purchases
- State Office of Management & Budget (OMB) Contracts
At Time of Order

• Supply to vendor:
  – One of the following:
    • PeopleSoft Purchase Order number
    • Voucher Ref/PO # (starts with department number) when a Purchase Order is not being utilized
  
  – Reminder – notify vendor of tax exempt status to eliminate confusion with invoicing
# Quote Template

**UND Purchasing**

**QUOTATION**

<table>
<thead>
<tr>
<th>Vendor Name:</th>
<th>Requestor:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Address:</td>
<td>Department:</td>
</tr>
<tr>
<td>Phone:</td>
<td>Email:</td>
</tr>
<tr>
<td>Fax:</td>
<td>Fax:</td>
</tr>
<tr>
<td>Email:</td>
<td></td>
</tr>
<tr>
<td>Signature:</td>
<td></td>
</tr>
</tbody>
</table>

*Form located on website, under Forms: [Quote Template](#)*

---

**Vendor to provide pricing & delivery date.**

**Above prices must include shipping and handling**

Return quotation to the UND [Insert Department] by email or fax no later than [Day, Date, and Time].

*Prices are firm for 30 days. All prices are to be quoted freight prepaid - FOB/UND. Equal alternate items must be noted and data included. UND reserves the right to award on the basis of grand total or individual items whichever is to the advantage of UND. University terms and conditions will supersede all terms and conditions submitted with bid responses. UND may use a purchasing card to place an order and make payment. The vendor will accept a purchasing card without passing the processing fees for the purchase card back to the UND.*
Bid / Quote Request Form

*Form located on website, under Forms:  [Bid Quote Request Form](#)
# Alternate Procurement Form

**Alternate Procurement Request**

Occasionally, circumstances arise under which a fully competitive procurement process may be difficult or impossible. Procurement is noncompetitive when there is no bidding process. Limited competition procurements occur when competition is possible, but the requirement of the bid restricts competition to particular suppliers or products. These types of procurement are exceptions to the university policy that purchases be completed through full competition with fair and equal opportunity to all qualified vendors. Therefore, limited and non-competitive procurements should only be used when truly necessary and authorized. When a limited competitive or non-competitive procurement is contemplated, the procurement and contracting services department must make the determination.

Complete this form for commodity purchases $10,000 and above, service purchases $50,000 and above.

<table>
<thead>
<tr>
<th>Name of Department</th>
<th>Telephone Number</th>
<th>Date of Request</th>
</tr>
</thead>
<tbody>
<tr>
<td>Requester</td>
<td>Email</td>
<td></td>
</tr>
</tbody>
</table>

**Procurement Type**

- Noncompetitive Procurement
- Limited Competitive Procurement
- Purchase from another government entity’s contract

**Description of Commodity or Service**

Describe the intended purpose. Provide a vendor name, manufacturer, model, general description and other identifiers.

**Purpose**

Describe the intended application(s) or service.

**Total Cost**

Include all options for renewal or extension (e.g. $10,000/yr with two renewal options = $30,000)

- One-time Purchase
- Recurring Purchase

Describe anticipated future purchases, such as maintenance or more “like” items in the future.

**Equipment Certification**

New Equipment, Used Equipment, Refurbished Equipment and Materials Certification

All equipment and materials will be new and under current production for use in the United States. All equipment and assemblies of equipment will be in full compliance with all applicable standards established by federal, state, and local governments. The equipment must be listed and labeled by a nationally recognized testing laboratory (NRTL) or certified by field evaluation and labeled by a NRTL. All costs associated with required listings will be included in the price. Each piece of equipment or assembly of equipment offered in the response to this bid will either be listed and certified or certified prior to shipment by the successful bidder.

In addition to the completion and submission of this form, one or more of the following additional documents may be required: a) product brochure that identifies technical specifications; b) federal grant or sponsored agreement documentation that shows a particular piece of equipment was required in order to comply with a grant; c) RFPs that demonstrate a bid process was completed to establish a standard; d) documentation from a prior order that establishes compatibility requirements.

The undersigned states that he/she has prepared the documentation based on the Procurement and Contract Services policies and the facts and data set forth are complete and accurate to the best of the undersigned’s knowledge and belief, and certifies that there has been no actual or potential conflict of interest in this purchase, and is in compliance with the university’s Code of Conduct. Violation of this code is cause for dismissal or other appropriate disciplinary action.

**Vendor**

<table>
<thead>
<tr>
<th>Contact Person</th>
<th>Telephone</th>
<th>Email</th>
</tr>
</thead>
</table>

**Address**

<table>
<thead>
<tr>
<th>City</th>
<th>State</th>
<th>Zip Code</th>
</tr>
</thead>
</table>

**Procurement Services Approval**

<table>
<thead>
<tr>
<th>Requester Name</th>
<th>Requester Signature</th>
<th>Requester Department</th>
</tr>
</thead>
</table>

**Date**

*Form located on website, under Forms: [Alternate Procurement Form](https://www.und.edu/procurement/forms)*
Purchase Requisition

Vendor is not excluded (debarred) [www.sam.gov]
Completed Budget Check / Validated funds

*Perceptive Instructions located on Procurement Services website under Perceptive Content
Purchase Requisition

• Attach appropriate documentation to the Preq
  – Signed Contracts
    • Include General Counsel’s review when using a vendor agreement
  – Alternate procurement request form
    • Limited Competition
    • Sole Source
  – CILT Non-Standard Software and Services Trasking Number
  – Justification is required with Preq, if not awarding to the low bidder Contact buyer for Justification form
Payment Services Documentation
Payment Documentation

• Invoice/Receipt is required for all purchases

• Certificate of Missing Receipt/Invoice Form must be completed for any lost or unobtainable receipt/invoice.
  • Must be signed by Department head
Payment Documentation

• Types of Payment processes:
  – Perceptive Content AP (electronic workflow)
    • Can be used for:
      – PO Payments
      – Non-PO payments for commodities under $10,000
      – Non-PO payments for services under $50,000
      – Non-employee & Student travel
Payment Documentation

• Types of Payment processes (Cont’d):
  – Purchasing Card (University issued credit card-preferred payment method for small dollar purchases)
    • Can be used for:
      – Purchases under $5,000
        » Email und.pcard@und.edu for waiver if >=$5,000
      – Work with Procurement Services on purchases over $10,000
      – Certain restrictions apply
        • Review the P-Card User’s Manual for allowability
    – More P-Card info
Payment Documentation

• Perceptive Content (electronic workflow)
  – Email invoice & supporting documents to: APinvoice@email.UND.edu
  – Reference number required
    • PeopleSoft PO number
    • Ref/PO number
  – Completed eForm for Non-PO payment
  – Must have authorized approval confirming goods/services have been received.
    • Signature on file at Payment Services
  – Business purpose documented
    • Who, What, When, Where, Why
  – Employee reimbursements processed through PS T&E
Payment Documentation

• Foundation Flow-Thru Funds (26XXX)
  How to Process Foundation Flow-Thru Funds

• Restricted Funds (79XXX)
  – confirm that the purchase meets all restrictions set forth on the fund and is documented on the payment document.
Payment Documentation

• P-Card
  – Reallocation in PaymentNet to correct account code
  – Statement printed monthly
    • Electronic submittal of statements coming soon
  – Submitted with invoices/receipts & other supporting documentation
    • Due the 20th of the month
  – Statement signed by cardholder & approver
  – Department should retain the paper copy of statement and receipts for one year
Payment Documentation

• Additional Payment Best Practices
  – All invoices should be billed to the University of North Dakota.
  – Pay from Invoices not statements
  – Take discounts when within the vendor terms
  – Sales tax should be deducted
    • shipped to UND
    • purchased North Dakota.
  – Receipt(s) or invoice(s) should equal the requested payment amount.
  – Vendor name on PO and invoice must match
  – A completed W-9 is required for all new vendors or a W-8 for foreign vendors.
Payment Services Web Page

• Payment Processing Page
Payment Services Web Page

- List of authorized signers for agreements and contracts
Payment Services Web Page

• Look for the “How to Process”
  – Step by step instructions

University of North Dakota
Accounting Services

“How to Process...”
Electronic Payments (ImageNow)

This procedure is for processing standard invoices in the Account Payable electronic payment processes. It is not for the processing of Purchase Order payments.

• Submit the invoice/reimbursement etc. to be paid to Accounting Services to be scanned into the electronic payment process (ImageNow). Ref/PO # should be documented on the invoice/reimbursement.

• Review the payment once it is received in your AP - Department Approval queue.
  o Verify that you have received the goods/services
  o Document the business purpose of the purchase in the description area of the eForm or on a sticky note.
Payment Services Web Page

- Use the Expense Table in the quick links

**Expense Table**

<table>
<thead>
<tr>
<th>Expense Type</th>
<th>Accepted Payment Process</th>
<th>Needed Documentation</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Awards/Prizes</td>
<td>Electronic</td>
<td>• Purpose of the Award/Prize&lt;br&gt;• Name &amp; home address of the recipient&lt;br&gt;• Last four digits of the SSN of the recipient or the employer</td>
<td>All awards to employees are subject to tax withholding and should be processed through the Payroll Office. Awards to UND students that are considered financial assistance should be processed through the Student Financial Aid Office.</td>
</tr>
<tr>
<td>Bookstore Purchases</td>
<td>PCard</td>
<td>Receipt attached to Monthly Statement of Account</td>
<td>Allowable items for purchase from the UND Bookstore&lt;br&gt;• Office Supplies/Reference material&lt;br&gt;• Books for academic/research areas&lt;br&gt;• Minor equipment&lt;br&gt;Personal items such as candy, greeting cards, gifts, etc. are not allowed</td>
</tr>
<tr>
<td>Cell Phones</td>
<td></td>
<td><strong>Please review the University Cell Phone policy before making any purchase of a celluar phone</strong></td>
<td></td>
</tr>
<tr>
<td>Consultants</td>
<td>Electronic Purchase Order</td>
<td>Original Invoice and/or Receipts</td>
<td>Consultants may be paid for their services and/or travel expenses. All contracts need to be approved by UND General Counsel or the preapproved Consultant Agreements located on the Purchasing webpage should be used.</td>
</tr>
</tbody>
</table>
Payment Services Web Page

• OTHER QUICK LINKS AND HELP

Quick Links
- Agreement/Contract Signers
- Determination of Worker Status
- Expense Table
- ImageNow Dept # Listings
- Perceptive Content Workflow Guide
- Meals Table
- Missing Receipt Form
- Moving Expense Table
- Nonresident Aliens Payment for Services

Contact Us
Training Documents/Videos
- AP Append to an Existing Document
- AP Departmental Approval
- AP Voucher Inquiry
- Display eForm-Properties
- Route to Another Department
- Search for a Document
Payment Services Web Page

• Glossary
  – Under Resources on the Payment Services web page

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accrual</td>
<td>The recognition of revenue and expenses when incurred, not paid. An example is an expense purchasing supplies on June 28th but not paying the expense until July 15th. The expense is accrued back to June, not expensed in July. UND normally only accrues expenses on June 30th, our fiscal year end.</td>
</tr>
<tr>
<td>ACH</td>
<td>Automated Clearing House is a method of direct depositing funds to commercial bank accounts in the U.S. or referred to as electronic fund transfer. It is a secure, reliable and efficient method to transfer money.</td>
</tr>
</tbody>
</table>

• Where to find our forms
  – Click on the link for Forms under the heading “other” in either the tree on the left or in the body of the Home Page
Corrections to Payment Documents

• A Journal Voucher is used to make corrections to payments for all Funds that originated on a Voucher.
Discussion

Questions?
Thank you for your time!

• Presentation on Procurement Services & Payment Service Websites:
  – Presentation

• Consult Frequently Asked Questions on our Websites:
  – Procurement Services
  – Payment Service

• Consult Forms on our Websites:
  – Procurement Services
  – Payment Service

• Contact Procurement & Payment Service Websites for other Questions
  – Procurement Services
  – Payment Service