Procure to Pay from Start to Finish

Presented by Anna Leddige & Allison Peyton

October 2016
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](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.
  – Further details and instructions can be found on the 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 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
    • 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
Additional Information

• 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
- Equipment
- Supplies
- Licenses
- Food
- Printing (envelopes, letterhead, business cards, etc.)
- Logoed/Promotional item
- Computer Software/Hardware
- 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

• 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

• 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

• 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</td>
</tr>
</tbody>
</table>
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 under on purchases under $10,000.
Commodity Purchases

• Logoed/Promotional item
  – Requires TURF (Trademarks Use Request Form)
    • Info: http://und.edu/identity/licensing/internal-procedures.cfm
    • Form: Trademark Use Request Form
    • Attach form to procurement & payment documentation
  – Review policies and procedures:
    http://und.edu/identity

Merchandise and Licensing

Adhere to UND licensing procedures and policies to use trademarked and copyrighted marks on merchandise or promotional items.
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

• 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>
<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>$10,000 or less</td>
<td>None</td>
<td>None</td>
<td>No</td>
</tr>
<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 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

• **Contracts must be utilized for a purchase over $50,000; contact Procurement Services to create contract. Contracts are highly recommended for a purchase under $50,000.**
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
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.

North Dakota
Office of Management and Budget
State Procurement Online
ONLINE SERVICES

List Current State Contracts

- EPB = Environmentally Preferable/Biobased
- CP = Cooperative Purchase
- M = Mandatory

219 Contracts found.

<table>
<thead>
<tr>
<th>Name</th>
<th>Number</th>
<th>Expires</th>
<th>EPB</th>
<th>CP</th>
<th>M</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actuarial Services (OMB - Risk Mgmt)</td>
<td>257</td>
<td>06/30/2016</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>View</td>
</tr>
<tr>
<td>American Indian Business Development Office (Indian Affairs Only)</td>
<td>093</td>
<td>06/30/2017</td>
<td>N</td>
<td>N</td>
<td>N</td>
<td>View</td>
</tr>
<tr>
<td>Ammunition</td>
<td>233</td>
<td>06/30/2016</td>
<td>N</td>
<td>Y</td>
<td>N</td>
<td>View</td>
</tr>
</tbody>
</table>
At Time of Order

• Supply to vendor:
  – One of the following:
    • PeopleSoft Purchase Order number
    • 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

*Form located on website, under Forms: Quote Template
Bid / Quote Request Form

*Form located on website, under Forms: Bid Quote Request Form
Alternate Procurement Form

*Form located on website, under Forms: [Alternate Procurement Form](#)
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
  – Non standard hardware & software form
  – TURF (Trademark Use Request Form)
  – Justification is required with Preq, if not awarding to the low bidder Contact buyer for Justification form
Purchase Justification Form

PURCHASE JUSTIFICATION FORM

This form will need to be completed if the requesting department is not awarding the bid to the low vendor.

Provide justification as to why low bid is not being awarded:

Date: 
Requestor: 
Phone: 
Email: 
Department: 
Awarded Vendor Name: 

Vendor Address/Contact information:

Bid # / Quote #:

Reason for not awarding to lowest bidder:

Requestor's Signature: ____________________ Printed Name: ____________________ Date: ______

Procurement and Contract Services Signature: ____________________ Date: ______

* Contact buyer for Justification form
Purchase Order Changes

**PURCHASE ORDER CHANGES/CANCELLATION/CLOSED**

Department name:  
Department number:  
Vendor:  
P.O. number:  

Line items to be cancelled/added/changed/closed:  
Reason for cancellation/addition/closed:  

Revised account/fund/dept/project number/description:  
*If change impacts another dept. obtain approval below*

Current purchase order amount:  
Revised purchase order total:  
Change order amount:  

*Authorized department signature*  
Date:  

*Other Dept. Impacted by Change (if applicable)*  
Date:  

*Those individuals authorized to approve non-payroll expenditures. Listing maintained by Accounting Services.*

Attach backup documentation if applicable.
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)
    • Can be used for:
      – Purchases under $10,000
      – Work with Procurement Services on purchases over $10,000
    – Certain restrictions apply
      • Review the P-Card Users 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
  – Cannot approve own reimbursement
  – Business purpose documented
    • Who, What, When, Where, Why
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
  – Submitted with invoices/receipts & other supporting documentation
    • Due the 20\textsuperscript{th} of the month
  – Statement signed by cardholder & approver
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 from the invoice if the item is shipped to UND or was purchased in 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

All purchases for the University should have a documented business purpose. This is best accomplished by including the “who, what, when, where, & why” on the payment transaction.
Payment Services Web Page

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

• Look for the “How to Process” under each type of payment for detailed 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.
  
  - Verify that you have received the goods/services
  
  - Document the business purpose of the purchase in the description area of the eForm or on a sticky note.
Use the Expense Table in the quick links to see what documentation is necessary for your payment. **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, Name &amp; home address of the recipient, Last four digits of the recipient or empID</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</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Office Supplies/Reference material</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Books for academic/research areas</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>- Minor equipment</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Personal items such as candy, greeting cards, gifts, etc. are not allowed</td>
</tr>
<tr>
<td>Cell Phones</td>
<td></td>
<td></td>
<td>Please review the University Cell Phone policy before making any purchase of a cellular phone</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
  - ImageNow Workflow Queue Guide
  - Meals Table
  - Missing Receipt Form
  - Moving Expense Table
  - Nonresident Aliens Payment for Services
  - Unallowable Expenses

- 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