

What is Procurement?

- "...the act of obtaining or buying goods and services"
- Process includes preparation, processing of a demand, end receipt, approval of payment.
 - PO, Invoice, Receipt of G/S, Payment
 - Contractual agreements
 - Aramark, Staples, Dell/Apple, etc.

Who is responsible?

Procurement Services Department

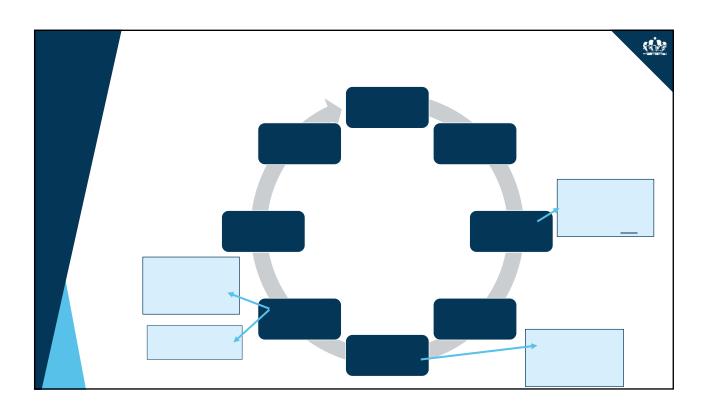
- Ultimately responsible for procurement of goods and services for the University
- Responsible for ensuring compliance with procurement laws, policies, & procedures
- www.odu.edu/procurement



Overview

Today we will review...

- Procurement Overview
- Commonwealth Restrictions & Allowable/Disallowed Expenses
- Departmental Responsibilities Regarding Expenditures
- Worker Classification
 - Independent Contractor or Employee
- Vendor Details, including Contract Vendors
- Payments/Timeline for Payments Special, Pre-, and Timely
- How to Pay Purchase Orders, PCards, Petty Cash
- Receipt of Goods and / Services
- Reimbursements & Avoiding Payment Delays
- Forms





Commonwealth Budget Restrictions

CAPP Manual, Allowable & Disallo



University Rules

- University Policy 3001
 - Provides guidance to departments on Allowable expenses based on funding source
 - Allowable expenses (Commonwealth E&G and Auxiliary Services: Ledger 1, 3, 4 and 6 Funds)
 - Allowable (Local Discretionary/Gifts: Ledger 6 Funds Only);
 - Disallowable for All Funds
 - CONSIDER: Reviewing the University Code of Ethics
 - Procurement Requirements
 - Departments have delegated authority for up to \$4,999 pending use of:
 - Contract Vendor OR
 - Contracts can be located on Procurement Services website under 'Contracts & Purchasing' tab
 - If ODU has a contract available, that contract is mandatory!
 - Certified Small, Woman-Owned, Minority-Owned, and/or Micro-owned business (SWAM) Vendor
 - SWAM Vendors can be located on Procurement Services website under 'SWAM' tab

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Improper Use NO-NO for State Funds Employee Personal Expenses Agency-Sponsored Events that DO NOT support the mission Receptions or Parties EXCEPTIONS: University-sponsored events such as commencement Coffee for Employees EXCEPTIONS: University-sponsored events

Allowables







How to determine Worker Classification

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Forms to help determine and expedite the process

 All Forms found on Office of Finance website

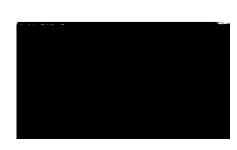




"Outside the Scope"

Employees – including Student Employees – must be paid through Payroll

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Some employees perform work for ODU outside the scope of their normal job duties.

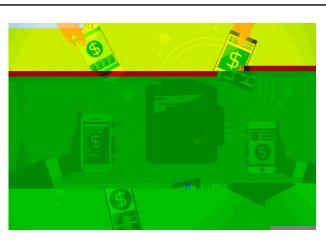
- Must be paid appropriately and accurately
- ODU must ensure proper reported earnings to IRS
 - IRS scrutinizes our Form 1099s each year!
 - Employee (W2) and Form 1099? NO!

Questions? Pam Harris: 683.5131



University-wide Contracts for various "big-ticket" or "frequently purchased" items/services

- Staples/RGH Office Supplies
- Aramark Catering
- Dell & Apple Computers
- VCE or Staples Furniture
- Printing must be approved by University Publications, contact Procurement
- If the University has a contract for goods and/or services, that contract is mandatory.
- The University does not have contracts available for every possible good and/or service needed, so departmental requesters cac9pepart01 Tc 0.0142 Tw 1.7Tt 612 -7 3.876I-48Tw 1.7T



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Payments and Pay Timeline

Special Payments, Prepayments, & Prompt Payments/eReceiving



Special Payments

Memo Payments

- ONLY Honorariums, Entertainment, & Game Officials
 - Processed using IP Checklist/Worker Classification Questionnaire
 - Exception Questions? Monique Johnson-Dowe 757.683.4528

Bookstore Charges

- Keep all receipts departments must track and reconcile
 - AP receives monthly charge list, posts to budget, BUD verifies

Office Supplies

- Must use Staples/RGH Procurement Services Website to setup new Staples Account
- Keep all receipts departments must track and reconcile

Aramark Requirements

- Aramark provides all on-campus catering for cost exceeding \$50
 - NOTE: PCards are the preferred method of payment for Aramark orders \$4,999 and under!
 - If over \$50 Business Related Meal Expense Form & eVA PO submitted, then eReceiver after catering complete
 - If \$50 and under, may use other vendor, paid for via PC-1 Petty Cash & Business Related Meal Expense Form

Prepayments









Departmental Petty Cash Funds

<u>Petty Cash Fund:</u> an imprest fund established through an advance of funds by AP to the designated custodian within a University Department for making immediate cash payments for authorized purposes of less than <u>\$200</u>

Does anyone currently have one?

 ALL purchasing restrictions still apply! Petty Cash should not be used to circumvent State/ODU purchasing requirements!

BUD or higher establishes Petty Cash Custodian

- Also approves all activities associated with Petty Cash expenditures
 - Internal and External Auditors, Office of Finance, and Custodian's superior perform surprise audits!

To establish - BUD must request with AP via Memorandum

- Include reason, name/UIN of Petty Cash Custodian, Amount Requested, Budget Code primarily responsible
- Check then made payable to custodian picked up in person, custodian signs Agreement and Policy Acknowledgement, reviews all Petty Cash Regulations
 - Bring University/Photo ID at time of pickup!
 - Procedures 6-810: Petty Cash & Small Business Expense Procedures, 6-811: Departmental Petty Cash Fund Policy and Procedures, 6-812: Reconciling and Reimbursing a Departmental Petty Cash Fund

Now What?!

- Safequard all funds at all times!
- Keep funds (and keys to access funds!) on campus always!

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PC-1 Form to be completed a

Removal of Funds – you will be notified of noncompliance/removal via email

- Payment of Restricted Items?
- Failure to submit proper/complete documentation?
- Lack adequate security of funds?
- Unauthorized removal of funds from University Property?
- Items in excess of \$200 limit?

Reconciling & Reimbursing

- Must be reconciled and reimbursed following Procedure 6-812
 - BUD or Higher must review all reconciliation and reimbursement requests

Fiscal Year-End Requirements

- General Accounting reconciles quarterly also at end of every FY
- Departmental Fund must be accounted for by 5/31 each FY!

How to Reconcile

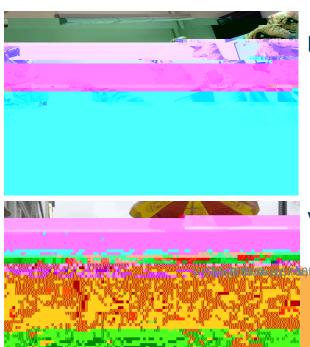
Rule of Thumb – must reconcile/reimburse monthly, complete all paperwork and submit to AP ð dðp D'\$(rA>è – RBüÎâ`! K Bèg4! "nû @u€'Œ Hd•htg



NO!

- All expenditures for capital outlay projects
- Expenditures over \$200





Departmental Responsibilities

- Notify vendors of Invoice Requirements
 - Proper Invoice sent directly to AP
- Forward all invoices to AP immediately!
- Returns, Incorrect Billings-report to AP immediately!
- eReceive in a timely fashion!

Vendor Responsibilities

Correct PO Number must be listed on Vendor Invoice

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The Payment Process

What 3 documents are needed to process payments?

- 1. PO Documents
- 2. eReceiving Report
- 3. Proper Invoice

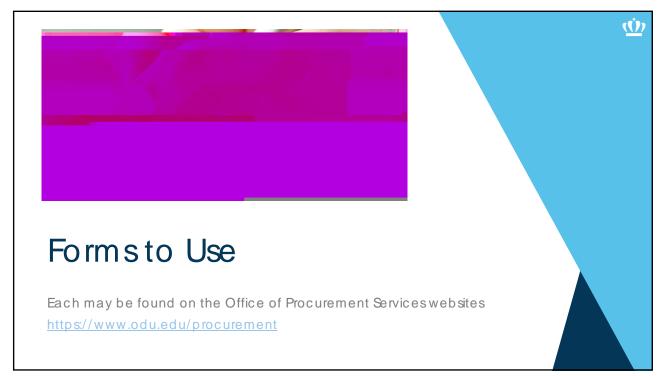
Use $\underline{\textbf{Banner}}$ to eReceive, to check status of Invoice, to verify payment, to view AP Processor, etc.

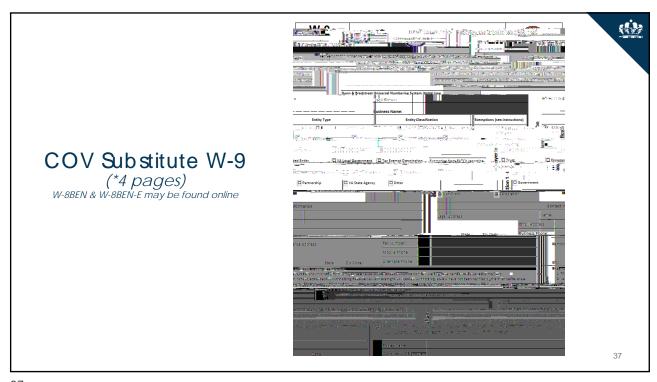
- We teach you how in Banner Finance Training!
- Offered Monthly schedule available at www.odu.edu/finance

Perform your own research and AP will thank you later!

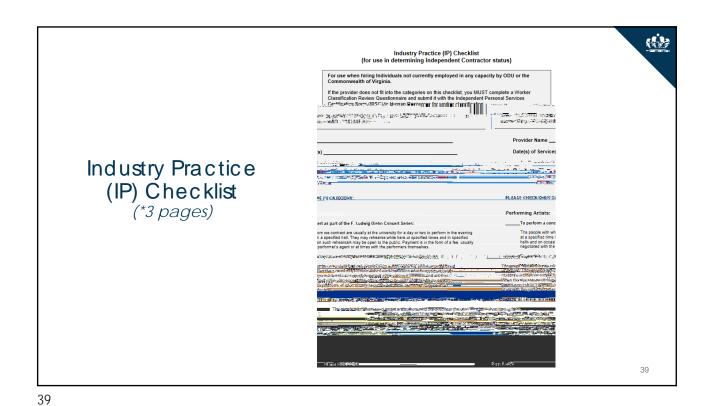
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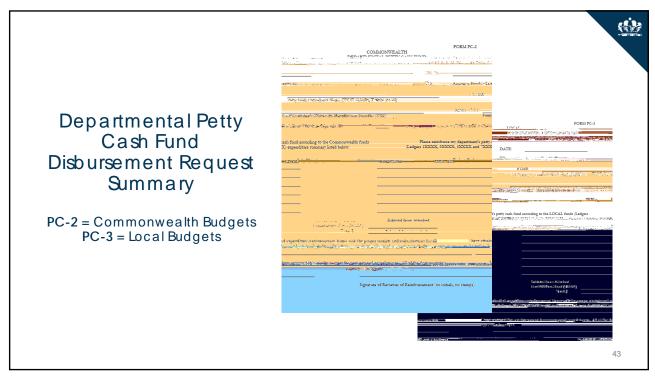




Worker Classification Review Questionnaire (*3 pages)



Twenty Factor Test

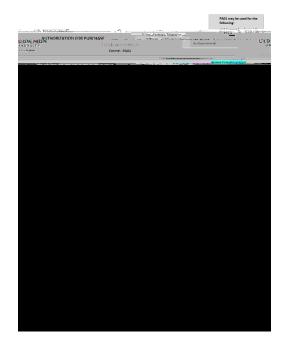


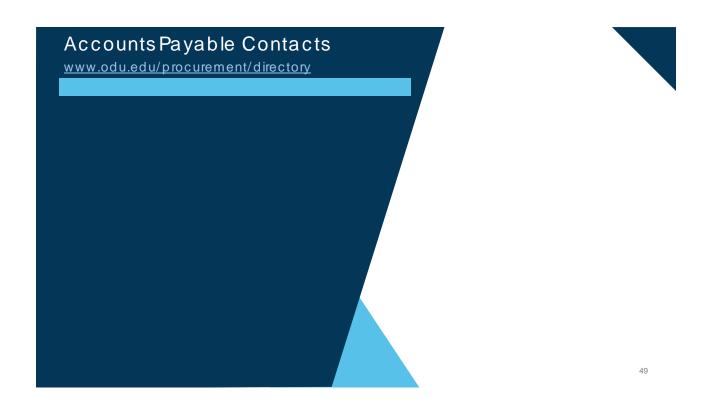
Departmental Petty Cash Fund Reimbursement (PC-4) Form	FORM PC-4 DEPARTMENTAL PETTY CASH FUND REIMBURSEMENT RECONCILIATION FOR THE MONTH OF
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PA01 Form

For more information, visit:
https://www.odu.edu/content/dam/odu/offices/procurement- services/docs/procedureandform-authorizationforpurchase-10172014.pdf





ALLOWABLE/DISALLOWED EXPENSES

University Policy #3001, Responsibility of Budget Unit Directors on Use of Funds (Expendit pries) to all individuals designated as Budget Unit Directors having fiscal responsibility for University Budgets. Please refeolious full details.

Certain expenditures that are funded with Commonwealth Educational and General Funds (Ledger 1), Commonwealth Auxiliary Service Funds (Ledger 3), and Local Auxiliary Service Funds (Ledger 4), must comply with the Commonwealth Accounting Policies and Procedu(@APP) Manual. Other expenses that are funded with Local Discretionary and Gift Funds (Ledger 6) must comply with University financial policies and procedures and, when applicable, in accordance Á] š Z } v } CE • [CE] š CE] X / v o o •reasonal@Ee/andvfoij the Genefit•oZ the University and its mission.

Examples of allowable and disallowed business expenses and the appropriate funding source(s) follow: Allowable (Commonwealth E&G and Auxiliary Services: Ledger 1, 3, 4, and 6)

- x Essential andeasonable operating expenditures within Commonwealth guidelines that directly support the mission of the University;
- x Essential and reasonable travel expenditures within Commonwealth travel guidelines;
- x Reasonable food/beverage service for special meetinges/ents benefitting the University;
- x Purchase of equipment and supplies for office use;
- x Memberships in professional organizations when the membership will result in direct benefit to the institution;
- x Dedications and University sponsored events with eartly defined business purpose, specifically fund raising, community engagement, or entertainment of guests of the University;
- x Purchase of items to be used for employee recognition programs approved by the Department of Human Resources or student recogniti activities;
- x Office plants and artwork/wall décor when they aid in the professional appearance of the office or building and are located in common/public areas;
- x Subscriptions to news journals, periodicals and magazines where such subscriptions are Φ (μ o (1) o professional responsibility (Note: they should be mailed to an ODU office);
- x Funeral attendance travel expenses for one employee selected by the President or designee;
- x Bottled water for outside workers or emergency provisions for emphsyif the water available in the building is $Z \ \hat{I} \ CE \ \mu \bullet \hat{s} \ u \ \infty \ o \ \hat{C} \ \bullet \ [\ Z \ o \ \hat{s} \ Z \ X]$

Allowable (Local Discretionary/Gifts: Ledger 6 Funds ONLY)

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- x Reasonable operating expenditures directly benefitting the University in excess of Commonwealth guidelines;
- x Memberships in social organizations when the business purpose has been clearly established and documented and the membership has been approved by the President;
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- x Purchase of goods or services for rldniversity or personal use or for use by an organization other than the University;
- x Cleaning of personahrl (o)4.00ab2ei noUni Œro.Q q 0 0 6176m6b (;)]TJ ET Q q 0 0 612 792 re W* n BT /C2_2