Procure to Pay from Start to Finish

Presented by Eileen Johnson

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Meet our Team

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Dave
Jana
Jan
Melissa
Jane
Cathy
Carl
Dawn
Janelle
Topics

- Essential Information
- Questions PRIOR to purchase
- Coding Purchases
- Calculating the value of a purchase
- Various types/items of purchase
- Contract Templates
- Procurement Forms
- Payment Processes
- PPS Web Page
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 2 CFR 200 – Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards.
  
  – Department is responsible to review
  
  – The list of federally excluded and suspended parties is available through the SAM website.
  
  – Further details and instructions can be found on the PPS website (Procurement heading, Federal Funds/SAM).
  
  – Please contact a buyer at PPS if you have any questions on excluded vendors.
Prior to Purchase

• What is the business purpose of the purchase?

• What am I purchasing?
  – Does it require special documentation?

• 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?

• Is it allowable on my grant?
  – Always work with your GCA Officer

• 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)
Prior to Purchase

• Does the supplier reside outside the U.S.?
  – Purchase may be subject to 30% tax withholding for foreign suppliers
  – W-8-Ben or W-8-Ben-E needs to be completed
  – Work with PPS to determine any foreign tax withholding needs
Additional Information

• Coding your purchase
  – Account number listing
  – Account number description
    • Appendix A of the NDUS Accounting Manual (page 110)

• Purchasing Card
  – Purchasing Card information and procedures
    • PPS website, P-Card heading, General information
  – Confirm vendor acceptance
Purchase Value

Calculate the *Reasonable Estimated Value*

- Ensures property level of Authorization
- Competition is in compliance
- Documentation is in order

- **Commodity purchase**
  - Purchase price
  - Shipping/handling
  - Other related charges
    - Installation
    - Maintenance agreements
Purchase Value

• **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.*

$15,000  Original purchase
+ $15,000  Year 1 Renewal
+ $15,000  Year 2 Renewal
+ $15,000  Year 3 Renewal
$60,000  Total Purchase Amount
## Procurement Guidelines

<table>
<thead>
<tr>
<th>Purchase Price</th>
<th>Quote/Bid Requirement</th>
<th>Documentation Maintenance Requirement</th>
<th>PPS Involvement needed</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than $10,000</td>
<td>At least one fair and reasonable quote.</td>
<td>None</td>
<td>No</td>
</tr>
<tr>
<td></td>
<td>Note: Equipment and software must be added to inventory if $5,000 or greater.</td>
<td>None</td>
<td></td>
</tr>
<tr>
<td>At least $10,000 but less than $50,000</td>
<td>Solicit informal quotes/bids or proposals from at least three vendors, or post on SPO Online with appropriate state Bidders List. May send to additional vendors.</td>
<td>Required</td>
<td>Yes</td>
</tr>
<tr>
<td>At least $50,000 but less than $100,000</td>
<td>Solicit informal bids or proposals using SPO Online with appropriate state Bidders List. May send to additional vendors.</td>
<td>Required</td>
<td>Yes</td>
</tr>
<tr>
<td>$100,000 and over</td>
<td>Must be purchased using formal sealed bids or Request for Proposal (RFP). Solicitations must be posted using SPO Online with appropriate state Bidders List. May send to additional vendors.</td>
<td>Required</td>
<td>Yes</td>
</tr>
<tr>
<td></td>
<td>Note: Alternate Procurement form not required if multiple quotes not solicited.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Alternate Procurement form required if competition not solicited from at least three vendors. The form is not required if fewer than three bids or proposals are received.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Required if:</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>1. Competition is not solicited.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2. SPO Online is not used.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Furniture Purchases

• Requested additions or changes to assigned space must be approved by Planning, Design & Construction (PDC) prior to purchase & installation of furniture that alters existing structures.

• Purchase of case goods (furniture other than Office Systems furniture) must follow the procurement policy.

• **Purchase Value:** For furniture, the entire amount of the purchase price including installation.
Printing Purchases

• Award to a North Dakota vendor
  – Printing vendors & quote form are located on the PPS Website under Procurement – Printing Procedures:
    • Printing Vendors Quote Form

• Duplicating Services
  – Photocopying, duplicating, and printing of official UND stationery (letterhead and business cards)

• Department is responsible for documentation on purchases under $10,000

• Use your P-Card
  – Printing orders less than $10,000
Purchasing Items with a Logo

• Logoed/Promotional item
  – Review the procedures and guidelines
  – Approved vendor list: Licensed Vendors
  – If Vendor is not listed, instructions are provided
  – For additional assistance on purchasing merchandise with the UND logo contact: UND.licensing@UND.edu
Computer/Software Purchases

• UND Software Store can be utilized on UND owned machines. Work through your Department Software Coordinator.

• Review by the Office of the CIO for $5000 and above

• Non-standard Hardware & Software Purchases: Refer to Non-standard Software & Services on UIT (University Information Technology) webpage
  – General Counsel: Department is responsible for contacting General Counsel for review and approval of contracts or agreements prior to submitting form
Purchase of 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.
Equipment Purchases

- **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.
Purchase of Food

• Food (Group Meals)
  – 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.
Purchase of Food

• Food (Cont’d)
  – Group Meals Policy
  – Meals Table

• A quick reference that is helpful when processing payments for food

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**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 hosts(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 health, wellness, and training events.</td>
</tr>
</tbody>
</table>
Purchase of Membership or 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
Purchase of Awards or 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
Purchase of Awards or Prizes

• 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.
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 $10,000.
  - Should be utilized for a maintenance agreement

- **Consultant Contract**
  - Utilize when a department is looking for advice & feedback on current process under $10,000.
  - Contract needs to be executed before the consultant begins working.

- **Guest Speaker Contract**
  - Utilize when a department employs a guest speaker under $10,000.
  - 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 PPS 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 Signature Authorization for Non-Payroll Expenditures

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

• PPS manages all contracts with one of the following criteria:
  – Total Contract Value including all possible renewals is over $10,000
  – Contract length of 1 year or greater

• Centralized Contract Database within Perceptive

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

• Discounts available for UND through negotiated pricing
  – Contract page requires Login
  – Still need to follow all Procurement policy, procedures, and guidelines
  – Reference the applicable contract number when placing the order
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 PPS
- Work through Procurement Services on purchases
- State Office of Management & Budget (OMB) Contracts

### List Current State Contracts

<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>Y</td>
<td>N</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) for use in Perceptive Content when a Purchase Order is not being utilized

  – Reminder – notify vendor of tax exempt status to eliminate confusion with invoicing
Procurement Services Documentation
**Quotation**

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

Insert the product specifications here:

Vendor to provide pricing & delivery date. Price: __________ Delivery Date: __________

Above prices must include shipping and handling

**New Equipment, Used Equipment, Refurbished Equipment and Materials Certification**

Unless otherwise indicated in the detailed specifications of this solicitation, 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 current 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 bid price. Each piece of equipment or assembly of equipment offered in the response to this bid will be either listed and labeled or certified and labeled prior to shipment by the successful bidder.

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. 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.

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

*Form located on website, under Forms: Bid Request Form
Purchase Requisition

*Perceptive Instructions located on PPS website under ribbon heading Procurement – Purchase Orders & Requisitions - Perceptive Content
Purchase Requisition

• Attach appropriate documentation to the P Req
  – Signed Contracts
    • Include General Counsel’s review when using a vendor agreement
  – Alternate procurement request form
    • Limited Competition
    • Sole Source
  – UIT Non-Standard Software and Services Tracking Number
  – Justification is required with P Req, 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 procurements under $10,000
      – 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 PPS
  – 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
    • Submit SIGNED statements to: UND.pcstatement@UND.edu
    • Additional instructions on our email address page
  – 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.
Procurement & Payment Services is a customer first resource and the single point of contact for all centralized procurement and payment activities for the University. Our goal is to identify and implement innovative purchasing and payment practices to better support the needs of the University while adhering to the highest ethical values in the purchase, receipt, and payment of goods and services.

We are responsible for soliciting, contracting and issuing orders for goods and services, as well as overseeing the purchasing card program and performing disbursement functions for all approved expenses for goods, services and reimbursements. We at PPS strive to provide excellent customer service, maintain resourceful practices that follow the state and federal laws, and maintain and expand vendor relations that enable competitive and diversified vendor sources that will provide the best value to the University. Our ultimate goal is to provide professional and courteous service to our internal and external customers while remaining in compliance with University policies and federal and state requirements.

Vendor Fair 2018
3rd Annual UND Vendor Fair - November 15, 2018
2018 Vendor Fair Registration
For more information email: UND.PPS@und.edu
PPS Web Page

- Staff Directory
  - Name & Title
    - Expand for additional contact information

- Email Addresses
  - List off all PPS group email addresses and detail of what to submit to each address
# Procurement

<table>
<thead>
<tr>
<th>Contracts</th>
<th>Blds/Quotes/RFP</th>
<th>Purchase Orders &amp; Requisitions</th>
<th>Printing/Furniture</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cooperative Contracts</td>
<td>Alternate Procurement Request</td>
<td>Changes / Cancellation / Closed</td>
<td>Printing Procedures</td>
</tr>
<tr>
<td>Services Template</td>
<td>Bid Request Form</td>
<td>Federal Funds/SAM</td>
<td>Printing Vendors</td>
</tr>
<tr>
<td>Consultant Template</td>
<td>Quotation Template</td>
<td>Purchase Requisitions</td>
<td>Furniture Purchases</td>
</tr>
<tr>
<td>Guest Speaker Template</td>
<td>Request for Proposals (RFPs)</td>
<td>Terms &amp; Conditions</td>
<td>Furniture Vendors</td>
</tr>
<tr>
<td>Contract Signature</td>
<td>RFP Evaluator Guide</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Authorization</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
How to Process

Step by step instructions

Expense Table
PPS Web Page

- Manual
- PaymentNet Link
  - Link to log into JP Morgan’s reallocation software
- Forms
  - Apply for a P-Card
  - Change – card limit, transaction limit, etc.
PPS Web Page

- General Info
- Major & Minor Equipment
- Annual Inventory Procedures
- Modular Furniture
- Surplus Property
- Forms-Training-Policies
• General Information – new page

## General Information

<table>
<thead>
<tr>
<th>Category</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Meals</td>
<td>$35 per day</td>
</tr>
<tr>
<td>Mileage</td>
<td>$0.545 per mile as of (01/01/2018)</td>
</tr>
<tr>
<td>Lodging</td>
<td>$83.70 + tax (standard) as of (10/01/2017)</td>
</tr>
</tbody>
</table>

**Travel**

**Processing & Files**

<table>
<thead>
<tr>
<th>Category</th>
<th>Link</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee</td>
<td><a href="#">Non-Employee</a></td>
</tr>
</tbody>
</table>
PPS Web Page

- Quick links/downloads
- Newsletters – last three years
- Policies
- Training & Guides
- How to obtain access
Corrections to Payment Documents

- A Journal Voucher is used to make corrections to payments for all Funds that originated on a Voucher – found on PPS Forms page.
Discussion
Thank you for your time!

• Presentation available on the Procurement & Payment Service Website:
  – Resources – Training & Guides

• Also on our website:
  – Frequently Asked Questions
  – Forms
  – Calendar
  – Newsletters