

CLARKSON UNIVERSITY
Vice President for Business & Financial Affairs
Interoffice Memorandum
January 2, 2001

TO: Vice Presidents, Deans, Department Chairs/Heads and Directors

FROM: James V. Manaro, Vice President for Business & Financial Affairs

SUBJECT: Business & Finance Policies & Procedures Manual (Reissue #2)

Under the direction of the University Board of Trustees, especially in conjunction with the Board's Audit Committee, the University's Policies and Procedure manual has been revised. The revision encompasses changes in procurement as well as compliance with legal, federal and state regulatory policies.

The Purchasing Office, the Office of the Comptroller and Deloitte and Touche, the University's auditor are responsible to monitor and audit compliance with these policies and procedures. Your cooperation is essential to ensure that the University is in compliance with its policies.

Additional updates will be forthcoming as new processes are implemented.

All faculty and staff individuals and managers involved with purchasing must be knowledgeable about procedures and policies contained in this manual, which need to be followed.

TABLE OF CONTENTS

Section 1	Signatory Authority
Section 2	Administrative Procurement Policy
Section 3	Purchase Orders
Section 4	Small Dollar Purchases
Section 5	Research Purchases
Section 6	Travel Policies
Section 7	Forms
Appendix I	Object Codes

File\purchmtc

SECTION 1
SIGNATORY AUTHORITY

1.1 ORGANIZATIONAL AND SIGNATURE AUTHORITY

The Purchasing Office is maintained within the University to fulfill the purchasing function. The Vice President/Treasurer is authorized to establish the Purchasing Office and responsible for its operation. Sufficient authority is delegated to the Purchasing Office to insure that University objectives are met and the specific needs of departments are recognized and served.

No individual, except the President, Vice President for Business and Financial Affairs/Treasurer, Director of Purchasing or other persons specifically authorized by the Board of Trustees has the authority to enter into any contract or encumbrance including purchase contracts or service contracts. Any other commitments, except as noted below, are unauthorized and are not legally binding to the University. Vendors, contractors and other service providers doing business with the University are aware of this policy.

For the listed transactions below, selected individuals have been delegated procurement authority:

- *Speed Orders (Department Chairs/Heads)
- *Disbursement Order (Department Chairs/Heads)
- *Petty Cash (per individual appointment)
- *Books and Periodicals (Controlled by Library)
- *Sponsored research agreements and requisitions needing approval should be submitted to the Division of Research.

Refer to the specific instructions for the above in Section 4 of this manual.

1.2 PROCUREMENT SIGNATORY AUTHORIZATIONS

Purchase Requisitions: The Purchasing Office keeps a record of authorized signatures from each department for procurement transactions. The Purchasing Office will request from departments an annual update of each Purchase Requisition Signature Allocation Form (see Section 7) at the beginning of each fiscal year. **Any requisition not signed by an authorized signer will be returned.** This form should contain the signatures of only the authorized employee of the department that can approve requisitions. Purchasing will check the signatures on the form against incoming signatures on requisitions. The Purchase Requisition Signature Authorization Form may be amended at any time by contacting the Purchasing Office.

Additional Signature Requirements: Any agreement or document obligating the University to an expenditure of more than \$50,000 must have both the Vice President for Business and Finance and the President's signature for approval prior to the commitment. This requirement also applies to the disposal of University property with a value of over \$50,000. The Academic Vice President may sign his approval in the absence of the President. All purchases less than \$50,000 should follow the policy specified in Section 1, 2 and 3.

SECTION 2
ADMINISTRATIVE PROCUREMENT POLICY

2.0 GENERAL PROCEDURES AND POLICY

The following are general policies for all purchasing transactions.

2.1.1 Competitive Bids

Bids or quotations are required for all procurement actions when the **total cost** of the transaction is \$5000 or greater. This includes purchases of equipment, services, contractors, computers, furniture or other retail items. All such purchases must be accompanied by supporting evidence of competitive bids or quotations (catalog quotations are not acceptable) or a clear and concise statement delineating the reasons for a sole source supplier (see Section 2.1.3)

The following criteria should be used when obtaining quotes on all purchases totaling \$5,000 or more:

1. Three or more written bids from available suppliers as follows: (State, Federal or Clarkson negotiated price contracts can be used as bids.)
 - a. Written bids or quotes by mail or fax by a designated date;
 - b. Bids received should be date stamped;
2. If you do not have three bids see Sole Source Justification in Section. 2.1.3

2.1.2 Conflict of Interest Issues

Clarkson University does not purchase goods and materials from any of its employees. If some unique situation arises which might warrant consideration of such a transaction, the Director of the Purchasing Office should be contacted for review and approval.

The University is subject to the provisions of The Anti-Kickback Act of 1986 (see Appendix II) which prohibits any person from accepting gifts or gratuities as a kickback. All University personnel should be aware of this when participating in purchasing/contracting activities with external parties.

2.1.3 Sole Source Justification

A sole source purchase is a purchase of a necessary item that precludes competitive bidding and is obtained only from a single source or under selective circumstances (such as availability or compatibility).

Sole Source documentation is required from the requisitioning department on purchases of **\$5,000** or greater. The Sole Source justification form must substantially present the rationalization for selecting a particular source or vendor. A Justification for Sole Source Purchase Form presented in Section 7 page must be filled out in detail, signed and submitted with the requisition before the Purchasing Office may take action.

As much technical detail information and/or specifications as is warranted must support any claim of uniqueness.

2.1.4 Account Numbers

To carry out procurement transactions, all Departments are assigned account numbers by the Comptroller's Office. All requisitions must carry the complete account number to be charged, including the object of expense code (OEC) which is designated by the final four numbers. See the Appendix for list and explanation of commonly used object codes.

2.1.5 Review of Account Numbers

The Comptrollers Office monitors all account numbers for expenditures against budget. To avoid transaction difficulties, departments requesting procurement should check to make certain there are sufficient funds available from their assigned account. If an account is at or near budget, it may be removed from the Account Validation File by Accounting to prevent further expenditure or over-expenditure. The Purchasing Office checks a Account Validation File to verify account currency. Purchase orders will not be issued against suspended accounts until appropriate approvals are received or additional funds are made available

2.1.6 Supplier Selection

Suppliers are selected for their capability to serve the needs of the University in the most economical and efficient manner possible. Past performance and cooperation are important factors. Suppliers must comply with the Equal Opportunity Act, since it is the policy of the University to promote the full realization of equal employment opportunity through an Affirmative Action Program. They must also comply with all other laws and directives. Ultimately the responsibility for supplier selection rests with the Purchasing Office.

2.1.7 Expenditures Are Exempt From Sales Tax

The University is a tax-exempt organization and, as such, generally does not pay New York State Sales Tax. Accounts Payable will delete sales tax charges that appear on supplier invoices unless specifically instructed otherwise.

Clarkson also does not pay the sales taxes of other states in most instances if the transaction is consummated in the State of New York. Clarkson may be liable for sales taxes of other states if the title to the item purchased passes in that state. Clarkson's New York State exemption certificate may be used for the state of Vermont.

Such exemption certificates can be obtained to present to hotels to obtain sales tax exemption. This is especially important in New York State but some other states will also accept the NYS exemption. Tax Exempt Certificates are available from the Purchasing Office and the Comptroller's Office.

Canadian sales taxes are generally paid to the supplier and a request for a refund is made to the Canadian Government. Assistance in requesting a Canadian Sales tax refund is available through the Comptroller's Office.

2.1.8 Receiving Procedures

The Clarkson Receiving Office provides central receiving functions for all Clarkson purchasing transactions. The “Ship To” address for Clarkson Receiving is:

Clarkson University
ATTN: (Purchase Order #)
8 Clarkson Avenue
Potsdam, NY 13699-5550

Items received will be logged in, checked for appropriate quantity and item/model designation and inspected for visually obvious damage to shipping container or product by University receiving clerk. Items will then be released for transport to requesting departments. Notification of items received with shortages/overages, obvious damage or otherwise not in conformance with the Purchase Order will be made to the ordering department. The University Receiving Clerk will then take appropriate action as mutually determined between himself, the ordering department and the supplier/shipper.

DAMAGES AND SHORTAGES

The purchaser of an order should inspect the materials, supplies and equipment immediately after delivery. If concealed damage exists (that which was not apparent nor discovered by the Receiving Department), call Receiving immediately and describe the extent of damage or shortage. Receiving will notify the carrier **within 15 days** (required by Interstate Commerce Regulations) to establish a claim.

Receiving will arrange for an inspection by the carrier. It is very important that all containers, packaging material and wrappers be retained for the carrier’s inspection. If this material is not available, claims processing may be delayed or voided.

Once the claim has been processed, if the carrier is at fault, a check will be issued and credited to the appropriate Clarkson account and the damaged goods picked up by the carrier.

2.1.9 Returns

Material to be returned for adjustment or credit may be referred to the Purchasing Office for assistance in obtaining Returned Material Authorizations (RMA), shipping instruction and invoice adjustment. If desired for timeliness and clarity, departments may contact the supplier for RMA’s and for shipping instructions. Departments are required to advise Accounts Payable of any adjustments to invoices.

Most suppliers require prior authorization to return materials for exchange or credit. After permission is granted, the department should prepare a Shipping Order and forward it to Receiving. The Shipping Order form is shown in Section 7. The department should cite the purchase order number, the date the item was received and reason for its return. Central Services will then pick up the material for shipment. Receiving will forward a copy of the Shipping Form to Accounts Payable and Purchasing.

Warranty Repairs

For equipment repairs which are under warranty, prepare a Shipping Form (see Section 7). Cite the purchase order number through which the equipment was received. Provide any communications or instructions from the supplier in the block marked "Reason for Return" as well as description of the problem. Note: Dell, NEC and Zenith Personal Computer warranty repairs may be referred to the Clarkson Computer Service Center.

Out-of-Warranty Repairs

For out-of-warranty equipment repairs, complete a Purchase Requisition for the repair and forward it to Purchasing. A Purchase Order will be issued against the requisition.

2.2 PURCHASING OF LABORATORY MATERIALS

2.2.1 Laboratory Alcohol Purchase

All requisitions to purchase alcohol for laboratory purposes require a license. The Chemistry Department is licensed to stock and dispense small quantities of alcohol for laboratory use. Alcohol **may not be ordered or purchased** using Speed Orders or Petty Cash procedures.

2.2.2 Laboratory Controlled Substances (Narcotics and Others)

Purchase Requisitions for narcotics must be marked "**Controlled Item**". Controlled Substances (Narcotics **may not be ordered or purchased** using Speed Orders or Petty Cash procedures. Controlled Substances must be kept in a secure area under lock and key at all time not in actual laboratory procedure use.

2.2.3 Hypodermic Syringe and Needle Control

Requisition of these items must be made on a Purchase Requisition. After approval by the Syringe Officer, the Purchasing Office will place the order. **Hypodermic syringes and needles may not be ordered or purchased** using Speed Orders or Petty Cash procedures. Hypodermic syringes must be delivered to the University Syringe Officer(s) or Student Health Clinic for inventory control purposes prior to distribution to requisitioner.

2.2.4 Radioactive Material

All Purchase Requisitions received at the Purchasing Office for procurement of radioactive materials are subject to the approval of the Radiation Safety Officer (RSO). Requisitions will be forwarded for RSO approval before an official purchase order will be issued.

Radioactive materials may **not be ordered or purchased** using Speed Orders or Petty Cash procedures.

In the case of emergencies, verbal approval for purchase may be granted by the RSO. A Purchase Requisition containing the RSO's written approval must be submitted on the following working day.

2.3 OTHER SPECIAL PURCHASES

2.3.1 Compressed Gas Cylinders

Requests for **ALL Compressed Gases** (stock and specialty) must be made to Central Services by submitting a Central Services Requisition.

Stock gases will be delivered from the Central Services store area upon receipt of request. Specialty gases will be ordered from the University's Compressed Gas supplier.

Stock and specialty gases are in cylinders that require a monthly demurrage fee as long as the cylinder is on campus.

2.3.2 Printing

Send Purchase Requisitions for printing requests to the Publications Office for processing. This office provides for the purchase of University printing and related services (i.e., design, typesetting), either from external suppliers or through University Duplicating resources. Duplicating by Central Services may be obtained as described in Section 7 of this manual.

2.3.3 Library Books/Periodicals

Books and periodicals for Library stockage are normally ordered through the Library. Departments are authorized to purchase books and/or periodicals for department use, but not to establish a departmental library.

2.3.4 Copying Equipment

Requisitions for purchase, lease, rental, and maintenance for all copying equipment must be sent to the Director of Services for review and approval prior to processing by the Purchasing Office.

2.3.5 Clarkson University Letterhead, Stationery and Envelopes

The Central Stores operation is responsible for storing, issuing and contracting of custodial, maintenance and limited office supplies. These are the supplies commonly used by the various offices and departments throughout Clarkson.

Stationery and envelopes with letterhead and copy paper stocked by Central Stores are those unique to Clarkson Offices and available at volume discount pricing (e.g., paper for copiers/printers). Central Store also stocks Clarkson Logo items such as letterhead, stationery and envelopes.

A list of items available from Central Stores can be obtained by calling Ext. 2325.

2.3.6 Computer Equipment, Software and Accessories

Requisitions for purchase, rental or lease of computer equipment or computer related items including: computers of any scale; workstations; graphics display devices; data storage peripheral components; software from an outside supplier, and data communication components must be sent to the CIS Director of Budgets and Planning for review and approval prior to processing by the Purchasing Office. To insure efficiency in the procurement process, plans or proposals for acquisitions should be brought to the attention of the CIS Director of Budgets and Planning **prior to** seeking quotes or proposals from suppliers.

2.4 EMPLOYEES VERSUS INDEPENDENT CONTRACTOR

The Internal Revenue Service has identified the employee versus independent contractor issue as significant in university settings. Failure to correctly report a worker as an employee could subject the University to substantial penalties. One test used by the I.R.S. compares Forms W-2 (issued to employees) with Forms 1099 (issued to independent contractors). In cases where individuals receive both forms from the same organization, the examining agent is compelled to further his/her investigation.

To reduce the University's exposure on this issue, current Clarkson employees should not be simultaneously treated as independent contractors. If an employee performs tasks that warrant supplemental compensation, he/she should be paid via payroll check. That is, a supplemental payroll authorization form or appropriate employee time card is to be processed. A purchase or disbursement order will not be accepted in the vast majority of cases.

2.5 MINORITY SUPPLIERS

The University is committed to the principles of Affirmative Action. It should try to apply these principles in its purchasing to foster greater participating by disadvantaged and minority enterprises in its procurement activity.

From time to time, the University will have entered into contracts with the Federal government which will require a definitive purchasing program that requires that some stipulated portion of purchasing be made from "small businesses" and/or "disadvantaged" businesses. If such contracts are made, the provisions of Federal Acquisition Regulation (FAR) clause 52.219 will require a plan that will insure that stated goals will be made for purchases from small disadvantaged businesses. When such a plan is made, it will necessitate careful screening of requisitions to insure compliance with the plan. Principal investigators involved with such plans will have to insure that requisitions are reviewed for compliance with the sub-contract plan.

**SECTION 3
PURCHASE ORDERS**

3.0 PURCHASING GENERAL PROCEDURES:

The following procedures are for use for purchasing equipment, supplies and services for the University.

3.1 Purchase Requisition

All requests for the purchase of services, equipment and supplies, except for small dollar purchases (\$500 or less) should be submitted to the Purchasing Office on a Purchase Requisition Form. The Purchase Requisition Form is the method to communicate departmental needs to the Purchasing Office. For procurement of \$500 or less see section 4, small dollar purchases.

PURCHASE REQUISITION ROUTINE

To request the purchase of services, equipment and supplies, a Purchase Requisition should be completed by the requesting department and forwarded to the Purchasing Office. It is necessary to include all essential information including the price, as indicated in the instructions contained in Section 7.2.A. If the exact price is not known an estimated price is required.

The originating department should remove the typed yellow (last) copy and forward the original Requisition to the Purchasing Office.

All Requisitions for equipment chargeable to accounts 370 xxx, 375 xxx, 378 xxx or 395 xxx must be submitted to the Division of Research for review and approval prior to initiating further purchasing action.

Individual Requisitions must be limited to items that can be supplied by one supplier. For example, chemicals and paper should not be combined on one Requisition unless one supplier could bid on and supply both items.

Certain purchases require special review procedures as designated in Section 2 of this manual.

3.1.1 Competitive Bids

Bids or quotations are required for all procurement actions when the **total cost** of the transaction is \$5,000 or greater. All such purchases must be accompanied by supporting evidence of competitive bids or quotations (catalog quotations are not acceptable) or a clear and concise statement delineating the reasons for a sole source supplier (see Section 3.1.2)

The following criteria should be used when obtaining quotes on all purchases totaling \$5,000 or more:

1. Three (3) or more written bids from available suppliers as follows: (State, Federal or Clarkson negotiated price contracts can be used as bids.)
 - a. Written bids or quotes by mail or fax by a designated date;
 - b. Bids received should be date stamped;

2. If you do not have three bids see Sole Source Justification in Section. 3.1.2

3.1.2 Sole Source Justification

A sole source purchase is a purchase of a necessary item that can be obtained only from a single source or under selective circumstances which preclude seeking competitive bids (such as availability or compatibility).

Sole Source documentation is required from the requisitioning department on purchases of **\$5,000 or greater**. The Sole Source justification form must substantially present the rationalization for selecting a particular source or vendor. A Justification for Sole Source Purchase Form presented in Section 7 must be filled out in detail, signed and submitted with the requisition before the Purchasing Office may take action.

Any claim of uniqueness must be supported by as much technical detail information and/or specification as is warranted.

3.2.1 PURCHASE ORDER

The Purchase Order prepared by the Purchasing Office, after approval of the Requisition, is the purchasing instrument. It is the vendor's authority to ship and invoice the University for goods specified on the order. It is a legal instrument, which expresses the buyer's part of a contract of sale. Once accepted, it has the legal force of a binding contract. For an example of a Purchase Order form see Section 7.

Purchase Order Routine

If a Purchase Requisition is fully completed and meets all criteria, the Purchasing Office issues a Purchase Order to the designated supplier (normally within one (1) workday after receipt of a completed requisition).

The Purchase Order is a seven (7) part form and is distributed as follows:

1. Supplier Copy
2. Purchasing Office file copy (yellow)
3. Accounts Payable copy (green)
4. Receiving Department copy (pink)
5. Requesting Department file (gold)
6. Property Office and encumbrance copy (blue)
7. Person requesting copy (white)

3.2.2 Changes to Purchase Orders

It is occasionally necessary to make changes to an original Purchase Order. Such changes may involve quantity, specifications, price, substitute products, deletion of items and complete cancellation of an order.

Since a Purchase Order is a contract, all changes must be processed through the Purchasing Office. After an order change has been coordinated and accepted by all parties concerned, the Purchasing Office will prepare and issue a revised Purchase Order.

Change Order Procedure

A department wanting to make any change to an order, whether initiated by department or vendor, must call the Purchasing Office and cite the Purchase Order number, supplier name, and the change desired. In the case of cancellation of the order, the reasons for cancellation should be included. It should be understood that, in some cases, a penalty may be imposed by the supplier (usually a restocking charge) if the order has been shipped or already received.

Minimal price changes (i.e., difference of 10 percent of an items cost not exceeding \$100) will be approved by the Purchasing Office. For all other price changes, the Purchasing Office will contact the requesting department seeking approval. If the department does not approve of changes, requisition will be cancelled.

When all conditions have been satisfied and approved the Purchasing Office will issue a Change Order. The Purchase Order Change Order will be prepared by the Purchasing Office and distributed to the following:

1. The Supplier (when requested)
2. Accounts Payable Department
3. Receiving Department
4. Requesting Department (verbally)
5. Purchasing Office

3.2.3 EMERGENCY ORDERS

There are times when materials or contractual services are urgently needed and circumstances do not allow time for the routinely processed Requisition and Purchase Order. In these cases of bona fide emergency, determined by the Purchasing Office, the Purchasing Office will provide a Purchase Order number will be provided as rapidly as possible. An emergency situation exists when materials or contractual services are needed to avoid one of the following conditions:

1. The lack of materials or services would seriously endanger the safety of persons or property.
2. Academic, research or technical personnel cannot properly perform their functions at the time needed, due to the lack of materials or services.
3. A contractual completion date may not be met due to the lack of materials.

Emergency Order Procedures

If one of the above criteria is met and concurred by the Purchasing Office, the requesting department will receive from the Purchasing Office a purchase order number. This purchase order number can also be given to a supplier over the phone or by fax. Either way a requisition will be submitted to Purchasing Office within 24 hours or by Monday morning if the emergency occurred during the weekend.

When requesting an emergency Purchase Order the following information should be provided:

1. Name of supplier and name of person accepting the order.
2. Name of employee and requesting department

3. Description of services or material to be ordered
4. Estimated cost of order.

If no contact is made to the Purchasing Office a contact should be received from one of the following in order listed:

1. Controller's Office
2. Vice President for Business and Financial Affairs

In the event of an Emergency situation occurs during the time the University is closed, proceed with the purchase verbally to the vendor and notify Purchasing Office the next working day. If the amount of the Purchase Order is expected to exceed \$5,000 the switchboard operator will contact the Vice President for Business and Finance or Academic Vice President will be notified for approval.

SECTION 4
SMALL DOLLAR PURCHASES

4.0 SMALL DOLLAR PURCHASES

4.1 Speed Orders

Department Chairs/Heads (or their designated alternates) are delegated the authority to issue Speed Orders not exceeding \$500 in value. Speed Orders are University Purchase Orders that are subject to certain conditions as designated below. Speed Order for services rendered on campus are subject to the same insurance review as purchase orders. Please contact the Risk & Property Office before executing this type of Speed Order. Speed Order numbers are in a specific series beginning with the letter "S". Please note that Speed Orders are **not** encumbered. Requests for Speed Order forms may be made to the Purchasing Office. **All Speed Orders must be typed.**

Conditions Of Use

The following items may not be purchased by Speed Order, regardless of value:

- Computers and computer-related equipment and software
- Syringes, needles and controlled substances (e.g., narcotics and prescription drugs)
- Radioactive materials requiring a license number
- Alcohol for laboratory use
- Publishing
- Building alterations or fixtures (contact Director of Physical Plant)
- Compressed Gas Cylinders and gas products
- Memberships (use disbursement order)
- Subscriptions (use disbursement order)
- **Any order requiring prepayment or c.o.d. (use Purchase Requisitions)**

Responsibility of Requesting Department

- Preparation of Speed Order (see Section 7)
- Maintain a Speed Order Control Log
- Distribution of Speed Order to supplier and others as noted on Speed Order
- Follow-up for delivery, returns, damage claims, credits
- Maintain a Speed Order file
- Forwarding of invoices to Accounts Payable, if received by the Department

NOTE: If invoices are sent from the supplier to Accounts Payable, payment will be made without further review and approval if the invoice agrees with the Speed Order.

A Speed Order may be cancelled and/or redirected by the Purchasing Office if it is inappropriate.

Telephonic or faxed orders for less than \$500 may be recorded and administrated by use of Speed Orders. Please don't mail the original Speed Order after telephonic or faxed order is placed unless the supplier requests a mailed original.

4.2 Blanket Purchase Orders

Blanket Purchase Orders (BPO) can be set up if the BPO allows the University to take advantage of volume pricing discounts or can eliminate substantive repetitive recurring Purchase Orders.

“Blanket” Purchase Orders (BPO) may be requested through the Purchasing Office to consolidate several smaller purchases of the same commodity or item(s) for a single purchase or for recurring purchases over a length of time. Examples of Blanket Purchase Orders are: 1) A BPO for maintenance contracts; 2) A BPO to purchase electrical parts from one supplier over a year period.

Consideration for the institution of a Blanket Purchase Order may be discussed with the Purchasing Office. The Purchase Order must meet the following criteria for consideration of approval:

- Significant Amount/Transaction Volume;
- Monthly statement from vendor with copies of invoices must be provided to the University;
- Annual renewal by July 1st of each calendar year;
- Multiple monthly purchase.

BPO's are not to be used for the purchase of capital items.

4.3 Disbursement Order

The Disbursement Order procedure exists to provide prompt and direct payment for the reimbursement of employees approved expenditures or to suppliers for services rendered on transactions that do not require a Purchase Order. This can be accomplished by submitting a disbursement order form directly to the Office of the Comptroller. Use of the Disbursement Order form illustrated in Section 7.2.B is required. Some types of transactions are as follows:

1. Conference Registrations and pre-paid travel expenditures
2. Unexpected freight and shipping bills
3. Refunds and reimbursement for out-of-pocket expenses
4. Honoraria
5. Postmaster
6. Taxes, Utilities and Insurance (by appropriate CU Office only)
7. Memberships, subscriptions and subscription renewals

All such transactions must have original supporting documentation such as invoices, paid receipts or other documentation. Business purposes for expenditures is to be provided.

4.4 Petty Cash Accounts Procedures

- 1.) Written request is made to the Comptroller's Office to establish a petty cash account.
- 2.) Employee selected to manage petty cash must have a secure location for the cash.
- 3.) Purchases are made at vendor using cash from petty cash account. Note: Some items which should **not** be purchased with petty cash include:

- A. Publications or printing which are subject to Library or Communications Department Control.
 - B. Transactions involving exchange or trade in.
 - C. Firearms, narcotics, syringes, needles, radioactive materials, or other controlled substances.
 - D. Services involving an employer/employee relationship or personal services.
 - E. Travel related expenses.
- 4). Original receipt from vendor and any change is returned to petty cash account. Purchaser notes on receipt the CU account number to be charged.
- 5). Periodically, as petty cash needs to be replenished, a Petty Cash Disbursement Order (PCDO) (see form illustrated in Section 7.1.B) is completed, original receipts attached, and signed by the Supervisor. The PCDO is submitted to Accounts Payable and a check will be issued for replenishment.

SECTION 5
RESEARCH PURCHASES

5.0 DIVISION OF RESEARCH CONTRACTS AND GRANTS

All requisitions forwarded to the Purchasing Office which cite restricted and/or agency (sponsored research) funds are subject to the approval of the Division of Research if they fall in any of the following categories:

1. Any purchase of supplies or services in excess of \$1,000
2. Any purchase of equipment (requisitions which cite an object-of-expense code in the account number of 2530, 2532, 2534, or 2528), regardless of the dollar amount.
3. Any purchase associated with travel and/or expenses, regardless of the dollar amount

In case of emergency, verbal approval from the Division of Research may be granted. The Purchasing Office must confirm this approval before a Purchase Order can be issued.

SECTION 6
TRAVEL POLICIES

6.0 TRAVEL POLICY FOR CLARKSON UNIVERSITY

The following travel policies and procedures are intended for University-wide use.

It is anticipated that travelers will make use of special educational discount rates when possible to minimize the dollar expenditures for travel.

Tax-exempt certificates are usually accepted by hotels, within New York State and Vermont. They are available from the Accounts Payable Office.

6.1 Travel Authorization

Each traveler is to have a Travel Authorization (TA) form (see Section 7.2.C) completed and on file in Accounts Payable Office before departing on official university business. The TA must be typewritten or printed clearly. Travel Authorizations are not required for student travel except when a cash advance is required.

Travel Authorization forms must be signed by the traveler and his/her supervisor or authorized individual.

After a Travel Authorization number has been assigned, copies of the TA form will be distributed to the traveler and the Department. The account(s) will be encumbered for the amount of the authorization.

When a trip is cancelled or no expenditures are to be reimbursed, the Accounts Payable Office must be notified. This can be done by a phone call, E-mail or in writing. This is important to assure that funds that have been encumbered for the trip can be released.

6.2 Research Travel Approvals

Travel to be charged to externally sponsored project accounts is authorized on a Travel Authorization form that is approved by the department head and the Division of Research. Such authorization sets a limit on the amount of charges authorized against the specific project. Once the total amount claimed for reimbursement exceeds this limit, the same review and approval process is required as for the original travel authorization. However, if the department head approves the excess amount to be charged to an account other than a research account, further review by the Division of Research is not required. Simply cite the separate account number on the travel expense report and forward directly to Accounts Payable.

When the Division of Research approves the excess travel expenses to be charged to the sponsored account authorized by the principal investigator, the Division will forward the expense voucher to Accounts Payable. If the sponsored account will not bear the additional charges, the Division will return the expense voucher to the principal investigator.

6.3 Travel Advances

Travelers may receive a travel advance payment by submitting a Cash Advance Request Form to Accounts Payable two weeks prior to travel date (see Section 7.1.C). It cannot exceed the amount approved on the Travel Authorization.

A travel advance is a loan. Each advance must be settled within thirty (30) days of an employee's return from travel. The travel expense report must show the advance and any unused amount must be returned. Unused advance can be returned by a check made payable to Clarkson University sent along with the expense report or cash can be **brought in person** to the Comptroller's Office along with the approved expense report.

Frequent travelers, such as Admissions and Development personnel, may be issued revolving travel advances in the amount of \$600. Such advances are to be returned when the employee is terminated or when a change in duties no longer requires advances to perform such activities. After obtaining approval from the appropriate Dean or Vice President, frequent travelers can submit requests for initial issue to the Comptroller's Office.

6.4 Travel Arrangements

Registration Fees:

Registration fees are usually required to be paid in advance of the conference and travel dates. To pre-pay these fees, travelers may request a University check by using a Disbursement Order that cites the Travel Authorization number supported by a copy of the registration form stating the fee amount. As an option, registration fees may also be paid by the traveler using cash, personal check or personal/University issued credit card and claimed for reimbursement on the expense account form. For long lead-time registration pre-payments paid by the traveler may be reimbursed to the traveler prior to travel using a disbursement order citing the Travel Authorization number and supported by the registration form.

Transportation:

Commercial: Travelers may make their own commercial travel arrangements by either contacting a travel agency or a commercial carrier directly. The most reasonable rates available should be obtained as determined by the Comptroller's Office. Discounted fares are sometimes available with longer lead-time reservations. If travel is supported through grant funds and is anticipated to involve foreign carriers, then approval must be obtained from the Division of Research. To pre-pay transportation ticket costs, travelers may request a University check by using a Disbursement Order that cites the Travel Authorization number. As an option, transportation ticket costs may be paid by the traveler using cash, personal check or personal/University issued credit card and claimed for reimbursement on the expense account form. For long lead-time transportation ticket costs pre-payments can be reimbursed to the traveler prior to travel using a disbursement order citing the Travel Authorization number and supported by receipt for ticket payment.

Vehicular: There are several options to provide a vehicle for travel needs:

- (1) University Fleet Vehicle: Sedans and Vans are available for travel from the Physical Plant. Reservations for vehicle use may be made by contacting the Physical Plant Administrative Secretary. Drivers must be approved by the risk Management Office. A mileage charge will be assessed against account number provided by traveler.
- (2) Commercial Rental Vehicle: See section on Rental Vehicles for insurance coverage.
 - (a) At destination when traveling: Travelers are encouraged to make their own arrangement through rental car agencies at destination and pay for the rental

using person/University issued credit card. Reimbursement may be obtained using the expense account form. For information regarding vehicle rentals, please see section on Rental Vehicles.

- (b) **Originating locally:** For travel for which a Travel Authorization form has not been issued (e.g. athletic trips, student field trips), rental vehicles may be reserved by department and confirmed for payment by requesting a Purchase Order from the Purchasing Department.
- (3) **Personally Owned Vehicle:** Travelers who elect to use their personally owned vehicle for official travel will be reimbursed at a per-mile rate (equivalent to the current per-mile rate as set by the Internal Revenue Service) using the expense account form. This rate covers the cost of fuel, oil, depreciation and insurance for the traveler-owned vehicle

6.5 Travel Reimbursement

No-Cost or Cancelled Trip: Travelers must advise Accounts Payable when travel authorized by Travel Authorization number is either cancelled or accomplished without cost to the University. This can be done by E-Mail, phone call or in writing to Accounts Payable.

Pre-Travel Reimbursement: Travelers may be reimbursed for pre-travel expenses prior to beginning travel by submitting a Disbursement Order citing the Travel Authorization number and supporting documents to Accounts Payable.

Post-Travel Reimbursement: Travelers will be reimbursed for actual travel expenses less pre-payments and advances by submitting an Expense Account Form to Accounts Payable.

6.6 Travel Expense Account Form

Travel expense account form must be properly completed and submitted to Accounts Payable following completion of travel (see Section 7.3.C). Expenses claimed on the Report must be supported by **original receipts** for all individual transactions of \$25 or more. Expenses below this dollar amount do not require a receipt, **BUT** they must be identified and itemized on the Expense Account Form.

If receipts are in foreign currency they will be converted to US dollars before payment is made to traveler using the going currency rate.

The Expense Account Form must be typed or printed clearly.

A properly completed Travel Expense Account Form, includes but is not limited to the following:

- (1) Date that Expense Account is being filled out
- (2) Name and box number of the traveler
- (3) Travel Authorization Number (TA) or the word **NONE** if there is not a TA number issued.
- (4) Travel Dates
- (5) Reason for expenses
- (6) Account numbers with amount to be charged to each account number
- (7) Signature of Traveler

- (8) Name of Supervisor **PRINTED OR TYPED**
- (9) Signature of Supervisor
- (10) Amount of the expenses are approved for
- (11) Original Receipts
- (12) Detail break-down of expenses
- (13) Less cash advances and pre-payments

6.7 Allowable Expenses

Personal car expense is reimbursed at the current per-mile rate. (Employee can not claim fuel expense if claiming mileage.)

Air Travel expenses for coach or equivalent fare are reimbursed up to the amount of the expense. Original receipt required.

Surface Travel expenses are reimbursed up to the amount of the expenses. Item that would be placed on this line are rental cars, taxis, buses or trains. Original receipt required.

Hotel: Actual expenses for room and taxes only. Other expenses on hotel bill need to be itemized on expense report. (Use tax exempt for sales tax form, forms available from Accounts Payable Office.) Original receipt required.

Meals: Can be reimbursed two ways.

(1). Actual cost. Travelers are encouraged to charge meal expenses to personal/University issued credit cards or have meal expenses added to the hotel bill. Reimbursement will be made using the expense account form. Travelers are to keep record of meal costs for submission on Worksheet for Meal Reimbursement that is part of the expense account form. Receipts for meals are not required if cost **per day is less than \$26** for all meals claimed. If reimbursement is for persons other than the traveler, IRS regulations require that the names of the individuals involved and the purpose of the expenses be provided. Expenses for alcoholic beverages are to be entered on the entertainment line on expense account. (Alcohol is an unallowable expense to Research Accounts.)

(2). Per Diem Allowance. The per diem rate is \$26 per full day of travel. Must use this method for the whole trip.

Entertainment: Entertainment is an unallowable expense to Research Accounts. IRS regulations require all expenditures for alcoholic beverages to be included on the entertainment line on the expense account form. Original receipt required.

Fuel: The cost of fuel for rental cars or University cars (when charge card in car can not be used). Original receipts required.

Other Allowable Expenses: Phone calls, parking, tolls and tips related to trip. Original receipts required

Unallowable Expenses

Cost for tickets to theatre and sport events unless such charges are related directly to the purpose of the trip and are documented.

Cost of entertaining guests unless such charges are related directly to the purpose of the trip and are documented.

Cost of personal items, prescriptions, toiletries, magazines, rental of formal attire, laundry and personal entertainment (includes hotel room movies) will not be reimbursed.

Cost of parking fines, traffic violation tickets or other fines.

Interest on credit charges will not be paid.

Altered receipts will not be reimbursed.

Reimbursement for lost or damaged personal items.

Reimbursement for repairs on personal vehicles.

Alcoholic beverages charged to Research Accounts.

Cost of child or pet care.

Cost of extra insurance. (I.e., Insurance for lost luggage, cancelled flight, accident, collision damage waiver and liability insurance.)

Costs incurred by unreasonable failure to cancel transportation or lodging reservations.

Costs other than transportation, lodging and meals that do not have a business

SECTION 7
UNIVERSITY FORMS

7.1 TRANSACTION FORMS

- 7.1.1** Purchase Requisition Signature Authorization
- 7.1.2** Purchase Requisition
- 7.1.3** Purchase Order
- 7.1.4** Sole Source Justification

7.1.1. PURCHASE REQUISITION SIGNATURE AUTHORIZATION

7.1.2 PURCHASE REQUISITION

7.1.2 Preparation of a Purchase Requisition Form

This form is relatively self-explanatory. Some items are numbered with corresponding explanations for clarity.

1. Purchase Order Number – Normally entered by Purchasing **unless** a number is given to the department to meet an emergency situation.
2. Vendor – Enter complete name and address of vendor for items wanted. Only one vendor is required unless the requisition total exceeds \$5,000. Three bids or sole source required if over.
3. Insurance – Answer yes or no
4. Funding Data:
 - a. Budget Number – Insert the ten-digit account number(s) to be charged and amount
 - b. Department – Insert name of department to be charged.
5. Delivery – Enter name, telephone number, room-number location and box number of the person to receive the items.
6. Complete Description – Enter complete information of items to include catalog and model number, color, size, physical description, quantity and pricing.
7. Date Wanted – Insert date items delivery is required. Please refrain from using “ASAP”. Indicate if express service is required in “Shipping Instructions”.
8. Equipment Screening – For **equipment** items **ONLY**
9. Signatures – Obtain signatures as indicated

7.1.3 PURCHASE ORDER FORMS

7.1.3 Preparation of a Purchase Order Form

Purchase Order Forms are typed only by the Purchasing Department and may be signed only by the authorized Purchasing Agent and Associate Purchasing Agent.

7.1.4 JUSTIFICATION FOR SOLE PURCHASE REQUISITION

7.1.4 Preparation of a Justification for a Sole Source Request Form

1. Name – Enter name of the requisitioner.
2. Department – Enter name of requesting department
3. Fund Source(s) – Check source(s) of funds for purchase requested.

Fill out Section One, Two, or Three as necessary.

4. Signature – Signature of Requisitioner.
5. Date – Date form is filled out.

7.2 SMALL DOLLAR TRANSACTION FORMS

7.2.1 Petty Cash

7.2.2 Disbursement Order

7.2.3 Speed Order

7.2.1. PETTY CASH

7.2.1 Preparation of a Petty Cash Form

1. Date – Date of petty cash request
2. Description of Transaction/Business Purpose – Enter a brief summation of item(s) and its use by the petty cash received
3. Account Number – Enter the ten digit account number to be used.
4. Amount – Amount of petty cash. Under most circumstances, no single transaction should exceed \$50.00.
5. Pay to – Signature of the person responsible for the petty cash fund for the department.
6. Supervisor Signature Signature of supervisor of person signing line 5.

7.2.2 DISBURSEMENT ORDER

7.2.2 Preparation of a Disbursement Order Form

1. Date – Enter the date the form is filled out.
2. T.A. Number – Required for travel related expenses only. Enter Travel Authorization Number.
3. Pay to – Enter name and address of supplier to be paid by disbursement order.
4. Social Security Number – Social Security Number of payee, if necessary
5. Account Number – Enter the account number and object code to be charged. More than one account number can be listed if the charge should be split between different accounts.
6. Amount \$ - Enter the amount to be charged each account for the transaction.
7. Explanation – Enter a brief description of the transaction
8. Name and Signature – Printed name and signature of the person authorized to charge to the account.
9. Special Handling Instructions – Optional – for special instructions only. If no entry, check will be mailed (US Postal Service or interoffice mail) to the payee.

7.2.3 SPEED ORDER FORM

7.2.3 Preparation of Speed Order Form: Top part of form is perforated so that entries in these blocks are not supplied to supplier. **ALL SPEED ORDERS MUST BE TYPED.**

1. Special Instructions – To be used for internal use only. For example: Call me before delivering
2. Furnish To – Requestor's Name and Department
3. Deliver To – Building and room number of requestor
4. Changing Instructions – Account Number(s) being charged for order
5. Originator's Signature – To be signed by requesting signature
6. Supplier – Full address of supplier with zip code
7. Date – Date order prepared
8. Date Required – Date supplies required by requestor. **Please do not use ASAP** – be definite as to date
9. Ship Via Either common carrier, parcel post, UPS or air freight. Prepaid and add only.
10. F.O.B. Point – Must be either Destination of Shipping Point.
11. Terms – As obtained from supplier when seeking pricing information. The normal is Net 30 days.
12. Address Inquiries To – Requestor's name, Department and phone number
13. Quantity – Enter quantity of item desired
14. Unit – Unit of issue, i.e., ea. for each, ft. for foot, g for gram, gal. for gallon, other.
15. Description of Item – Give full description of item(s) needed. When ordering parts for repair, model # and manufacturer of equipment should be provided.
16. Unit Price – Enter price per unit
17. Total – Enter the extended dollar value per line item (unit price times quantity ordered)
18. Signature – Must be signed by Department Head or a designated individual authorized to sign order
19. Distribution – As indicated on copies

7.3 MISCELLANEOUS FORMS

7.3.1 Cash Advance Request

7.3.2 Travel Authorization Form

7.3.3 Travel Expense Reimbursement and Meal Worksheet

7.3.4 Shipping Order

7.3.5 Interdepartmental Charges

7.3.1 CASH ADVANCE REQUEST

7.3.1 Preparation of a Cash Advance Request Form

This form is self-explanatory

7.3.2 TRAVEL AUTHORIZATION FORM

7.3.2 Preparation of a Travel Authorization Form

1. A Travel authorization number will be assigned at the completion of this form by the Accounts Payable Department.
- 2 –9 These numbers are self-explanatory – please fill out completely.
10. List any and all travelers going, in addition to the main party that will be claiming expenses in correlation with this travel on this authorization number.
- 11 – 12 List Account number(s) that will be used when expenses are going to be claimed.
13. Authorized Signatory for all account numbers being charged for this travel.
14. Traveler's(s') Supervisor name printed or typed for return of their copy
15. Traveler's(s') Supervisor's signature.
16. Not applicable if not a research account. If a research account, the Grant and Contract Administrator's signature **must** be on here prior to travel being approved by accounts payable.

7.3.3 TRAVEL EXPENSE REIMBURSEMENT AND MEAL WORKSHEET
(Expense Account Form)

7.3.3 Preparation of an Expense Account form

1. Date – Enter the date the expense account form is filed.
2. Mileage – When driving your own vehicle you may choose to claim mileage (or get reimbursed for gas – **not both**), enter the number of round trip miles here.
3. Total Mileage – Multiply the total number of miles times the current rate per mile to obtain total amount due here.
4. Air Travel – Enter the total cost of air flight here
5. Surface Travel – Enter the cost of any travel on taxi, bus or train here.
6. Hotel – Enter the total hotel expenses for the trip here. Attach an itemized hotel bill as backup. (Be sure not to include other expenses charged on the hotel bill, such as telephone and meals, in this total. They are to be broken out in their individual areas below).
7. Meals – Enter total meal expenses here. (When per diem rate **is not** being claimed, a meal worksheet is required.
8. Entertainment – Enter total entertainment expenses for the trip, with business purpose outlined somewhere on the expense form. (All alcohol should be claimed here).
9. Phone Calls – Self explanatory.
10. Parking – Self explanatory
11. Tolls – Self explanatory
12. Fuel – Enter cost of total fuel usage here. (Do not claim fuel costs if your personal vehicle is being used throughout the entire course of the travel and you have already claimed mileage for it).
- 13.– 14. Other – Enter the cost and describe the miscellaneous expense
15. Total – Enter the total of all the above line items here.
16. Less Cash Advance – Enter the travel advance amount received prior to travel here.
17. Due Traveler – If the trip costs exceed the travel advance, enter the difference between the trip cost and travel advance
18. Due University – If the trip expenses were less than the travel advance, enter the difference between the advance and the trip cost and attach your check made payable to Clarkson University with this expenses account.
19. Name – Name of Traveler being reimbursed

20. CU Box # - Clarkson Box address.
21. Travel Authorization # - Enter your Travel Authorization number here. (Only one T.A. Number should be claimed per form).
22. Travel Dates – Enter all dates of travel that are being claimed from departure to return.
23. Reason for Expense – Brief explanation of travel
24. Account Number – Enter all account numbers being charged for this travel
25. Signature – Signature of Traveler from number 19 above.
26. Name of Supervisor – Printed or typed (legible) name of supervisor.
27. Amount Approved – Supervisor is to put total amount approved for this claim.
28. Supervisor Signature – Signature of Supervisor or person being reimbursed.
29. Grant & Contract – Required only when traveling on research accounts and the requested reimbursement amount exceeds the amount indicated on the Travel Authorization.

7.3.4 SHIPPING ORDER

The Shipping Order form is being re-designed at publication of this manual. Use existing self-explanatory forms until new form is distributed.

7.3.5 INTERDEPARTMENTAL CHARGES

7.3.5 Preparation of a Interdepartmental Charge Form

This form is used to make interdepartmental charges for example for photo copies. It is used to list and total all the interdepartmental charges for a month.

1. From – Enter the name of the department initiating the form.
2. Month/Year – Enter the month/year the form is initiated.
3. Credit Account Number – Enter the account number to be credited. That is where the money will be deposited.
4. Date – Enter the date of the individual transactions.
5. Name and Department – Enter the name and department receiving the services and supplies.
6. Quantity – Enter the quantity of the supplies rendered.
7. Description – Describe the supplies rendered.
8. Account Number – Enter the 10-digit account number charged for supplies or services received.
9. Amount – Enter the dollar amount of each transaction
10. Total to be credited – Enter the total dollar amount for the inter-department charges for the month listed.
11. JV# - Assigned by the Comptroller's Office.

APPENDIX 1 – OBJECT CODES