Southern Nazarene University
Business Office Policies

Purchase Orders

A purchase order is required prior to committing University funds for any amount over $1,000. The types of items requiring a purchase order include vendor orders and staff, faculty and student reimbursements. A purchase order must be processed BEFORE monies are spent.

The purchase order:

1. Maintains required budget control and accountability.
2. Confirms quoted prices and authorizes charging to SNU.
3. Helps identify packages and invoices when received.
4. Eliminates the possibility of duplicate payments.
5. Lists the correct account to charge.
6. Provides prompt information of payment/order status.
7. Provides full shipping and billing address of vendor or reimbursee.
8. Confirms SNU tax-exempt status.

SNU is exempt from sales tax in the state of OK. When making a purchase from a vendor for the first time, please be sure to explain that the University is tax exempt and provide the vendor with a Sales Tax Certificate of Exemption. A sales tax exemption certificate is available on the V: drive in the "fstaff" folder. By law, this sales tax certificate is only to be used for SNU purchases. Personal use of this certificate constitutes fraud.

To guarantee proper usage of the tax exempt status of the University, charge all purchases to SNU or make payment with a university check.

Please note the following policies regarding purchase orders:

1. Purchase orders will be generated by the accounts payable office.
2. Purchase orders are needed only if the purchase or reimbursement exceeds $1,000, unless it is for Sam's or Office Depot. Both of these vendors require a purchase order regardless of amount.

Purchase Order Procedure

1. Purchase order forms are available on the V: drive in the "fstaff" folder under Business Office Forms. Fill out the purchase order form completely. Keep a copy for your files.

2. Have the form signed by:
   a. the department head
   b. the administrator
   c. the VP of Financial Affairs

3**.** After getting the department head and administrator's signatures, please forward the PO to Angela Palmer in the Office of Business and Finance for final processing of approvals and scanning to A/P.

4. The Accounts Payable Department will print the order information on our official purchase order form. A copy will then be emailed back to the purchase order originator so the purchase can be processed through their department.

Accounts Payable will not be responsible to fax, mail or email apurchase order to the vendor. Requestor will be responsible to place the order.

5. A purchase order is required if the amount to be reimbursed to staff, faculty or a student is over $1,000. A purchase order must be acquired BEFORE monies are spent.

6. Once a purchase is made, purchased items are received, and the invoice is received, the invoice should be entered into the portal for payment. Once entered, write the voucher number at the top of the invoice or receipt *and* the purchase order number and scan both the invoice/receipt and purchase order into the a/p invoices folder on the copier.

Accounts Payable Procedures

Purpose of Procedure:

To outline the process of requesting and receiving payments for vendor invoices, departmental expenses, and employee expense reimbursements.

1. Invoices must be processed for approval prior to payment being made. When an invoice is received, initial approval and submission to Accounts Payable is required by the authorizing agent. A request for payment must be created on the portal, then document the voucher number that is created through this process on the face of the invoice. Finally, scan the approved invoice into the AP folder. The AP department will submit the invoice into the Laserfiche workflow process to gather all additional required approvals for payment. In addition to invoices, check requests and reimbursement requests along with invoices received from an approved purchase order must follow the same protocol and work flow process.

2. Checks will be issued once a week on Fridays for properly approved invoices and check requests that meet the following timeline:
   a. Invoices and check requests that have completed the work flow and approval process through Laserfiche by 5:00 pm on Tuesday will be paid by a check issued that same week by 10:00 AM on Friday.
   b. If all documentation and approvals are not provided by 5:00pm Tuesday, then the check will be ready on Friday of the following week, assuming all proper approvals and required work flow processes are complete.

   Please allow plenty of time for the approval process and workflow completion.

3. Proper documentation is as follows:
   a. A signed, approved expense report with required receipts included.
   b. An approved purchase order number (when required) is to be written on the face of an invoice that notes the goods/services were received. It is expected that the approving department will check the invoice extensions and totals. It is also expected that the dates will show that a P.O. was issued prior to the shipping or receiving of goods or services.
   c. Most goods and/or services should be documented by a vendor's invoice. The usage of check requests will only be for items such as dues, subscriptions, conference registrations, honoraria, etc. that cannot be invoiced by a vendor.

Check Request Form

The Check Request should be used to pay for expenses that will not be invoiced by a vendor – such as honoraria, contracted guest speakers, payment to sports officials, subscription renewals, professional licenses, etc. The Check Request form can be found on the V:Drive in the "fstaff" directory/Business Office Forms.

When completing a check request all fields should be completed, including the **address,** even if the check is to be picked up or if we have previously paid the same recipient.

The reason for the check must be completed with a description that clearly indicates the purpose of the requested payment.

Date Desired will normally be completed as 'next check run' unless there is a specific date that the check is needed. (Filling in 'ASAP' has no value in helping us know what the turnaround time needs to be.)

The check request must be noted either 'Pick up' or 'Mail to Payee' for clear instruction on how to process the check. Checks can be picked up from the Cashier's office, located in Bresee 101.

A W-9 form is required for every person (non-employee) or company to whom SNU issues a payment to ensure compliance with IRS regulations. Annually, Form 1099's will be issued to all eligible recipients as required for tax reporting purposes. Eligible recipients include guest speakers and others to whom we provide an honorarium. The W-9 form is available on request from the Accounts Payable department. Please have the person/company complete and sign the form and submit it along with the check request for all new check recipients.

Student Refunds

PGS student refund checks are processed on Monday.

Traditional student refund checks are processed on Friday.

Any refund checks requested outside of the normal processing days will be processed on the next available check-run day. Notification of additional refund checks needed must be sent to Accounts Payable as modifications to the check printing process must be made.

"Emergency" checks will run on the next available AP check run.

Purchase / Installation of Equipment

Purpose of Procedure:
To clarify purchasing, installation, and budgeting of equipment.

1. Standard office furniture for a newly created faculty or administrator position is provided by the University from the General Institutional budget with the approval of the Vice-President for Finance. Any upgrades to those standards will be charged to the new employee's department budget. Furnishings in an office, such as desks, chairs, cabinets, office equipment, should be planned and budgeted for by that office through the customary approval process.

2. The University plans for the upgrading and replacement of equipment, computers and peripherals, carpet, and wall painting on a rotating basis. These costs are budgeted and paid from the University's General Institutional budget. Those offices that want replacements outside the normal cycle should plan and budget for those expenditures, and secure approvals from their appropriate cabinet-level administrator through the customary approval process. Wall colors and carpet selections are made by University management in conjunction with the Facilities Director so that there is continuity throughout the University; there are no deviations for personal preferences.

3. Properly approved equipment which is attached to the building, such as air-conditioners or permanent bookcases, is initiated, budgeted and paid for by Facilities.

4. New computers must be ordered and installed by IT. IT will pay for repairs and upgrades to existing computers and other computer hardware <u>when these upgrades are required by the University</u>. Upgrades to existing computers, <u>not required by the University</u>, must be approved and paid for through the budget of the requesting department.

5. All computers or other computer hardware that will be used for administrative or instructional purposes must be installed by IT, or by a qualified vendor approved by IT. Only IT personnel or approved vendors are authorized to work on existing computers or other computer hardware.

University Credit Cards

Purpose of Procedure:
Credit card usage can lead to the bypassing of internal purchasing controls and expand purchasing volume if not managed carefully. The purpose of this procedure is to document the process for the proper handling of corporate credit cards.

SNU issues credit cards to University employees for charging University-related business expenses, including travel. This Visa is the preferred method of payment for all non-capital purchases and travel expenses.

1. Corporate credit cards will be issued to University employees who have a need for such a card in order to fulfill their regular duties. An employee desiring a corporate credit card must make formal request (with the approval of their Cabinet Member) to the Assistant Vice-President for Finance. Any employee who is issued a corporate credit card will be required to sign the "Request for SNU Corporate Credit Card" form (see next page). This form clearly delineates the proper usage guidelines and the reporting requirements. If the guidelines are not followed, the card will be revoked and any unsubstantiated expenses may be withheld from the employee's paycheck.
2. Accountability and documentation are important in order to have a credit card program. The cardholders must understand the need for timely and appropriate reporting and commit themselves to meeting these expectations.
3. Cardholders should enter their credit card statement on the portal for payment. The Voucher number should be written on the statement, and the statement along with ALL receipts should be scanned to the Accounts Payable / Invoices file on the copier (into the Laserfiche system). It is important that the "who, where, why" information is written on each receipt.
4. Corporate credit cards are to be used ONLY for SNU business activities – no personal charges are permitted – and cannot be used to avoid the University's Purchase Order process. Prompt reporting by the cardholders is essential.
5. SNU reserves the right to cancel any or all of the credit cards at any time.
6. If the credit card statement is not entered for payment by the 20th day of the month, the credit card will be inactivated for the following month. Please allow time for the necessary approvals within the Laserfiche system.

Request for SNU Corporate Credit Card

I request that Southern Nazarene University issue to me a corporate credit card for my use in carrying out my duties on behalf of the University.

I agree to abide by the guidelines established for usage of the credit card:
1. The corporate card cannot be used to circumvent the University's Purchase Order procedures. Purchases of goods and services must still go through the Purchase Order process <u>even if they will be paid for with the credit card.</u> These cards are primarily intended for costs associated with University travel, meals, gas, hotel/motel costs etc. Personal charges are never allowed and the University reserves the right to recover any such charges immediately from your next paycheck.
2. All expenditures must be accounted for monthly.
3. If the credit card statement is not processed for payment with ALL receipts and approvals by the 20th day of the month, that card will be inactivated. If this becomes necessary, the employee understands that the University will not issue expense advances for their use.

Any undocumented expenses not turned in by the last day of the second month may be deducted from the employee's next paycheck. Loss of this card due to abuse or insufficient reporting will require the employee to use their own credit card or cash for expenses and submit those expenses for reimbursement.

I understand that I am being extended the privilege of receiving an SNU corporate credit card. I also understand that should I lose this privilege that I will not be eligible to receive expense advances in the future. When my employment with SNU ends I agree that any undocumented charges on this credit card may be deducted from my final paycheck. If the charges exceed the amount of my paycheck, I agree to reimburse SNU for the outstanding amount within 30 days from the end of my employment.

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Print Name   Sign Name   Date

_____

Extension   Cell Phone

_____

Cabinet Member Approval   Date

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Approved by: Associate VP for Finance   Date