

Purchase Order / Check Requisition Procedures
Valid Expense Documentation / Reimbursement

Policy:

This policy is provided to establish procedures for purchasing goods and services on behalf of the University. This policy is also provided to establish procedures on acceptable items for expense reimbursement and appropriate documentation for such valid expenses. To ensure proper controls of all University funds disbursed, adherence to these procedures by all budget administrators is mandatory.

Guidelines:

1. **Purchase Requisitions-** With only a few exceptions, as noted in paragraph 4, a purchase requisition form must be completed for all purchases of goods and services on behalf of the University. Use of this form ensures proper approval for the purchase and that the necessary encumbrance will be made for the purchase. Any purchase not processed via a purchase requisition, that is not a valid exception as noted below, will be considered unauthorized and the University may not be obligated to pay for the purchase. Please note that your purchase order request will be returned to you should there be inadequate budgetary funds available for the purchase. Approval levels for purchase requisitions are attached as Exhibit 1 to this policy. Please insure that the proper approvals have been obtained before your purchase order arrives in the business office. The business office cannot process any purchase order request without proper approvals.
2. **Competitive Bidding -** For all University purchases or transactions with financial implications, staff members should strive to attain the maximum value for all expenditures. Competitive bids should be obtained along the following schedule: Individual purchases greater than \$5,000 but less than \$20,000 requires the receipt of two bids before purchase. Individual purchases greater than \$20,000 requires three written bids before purchase. In the case where it is not possible to obtain competitive bids, the purchase must be discussed with the Vice President for Finance & Operations before the purchase is made.

Approved by the Finance Co. of the Board of Trustees, 5/25/04; Updated October 6, 2006 with revisions approved by the Finance Committee on that date. Approved by the BOT on October 25, 2006

Disclaimer: This policy is intended to serve as a reference for statements of policy and procedure. The policies and procedures stated here are guidelines for those purchasing or requesting checks/reimbursement of expenditures. Nothing herein is intended to create a contractual relationship

3. **University Contracts-** All contracts must be sent to the Vice President of Finance & Operations for a cursory legal and business review before signature. Please include a completed purchase requisition form with the contract so that a purchase order can be issued promptly if the contract is approved. The Vice President of Finance & Operations will approve and endorse all contracts before the contract can be executed.

4. **Check Requests & Expense Reimbursements** - Use of a check request to purchase goods or services is acceptable in the following instances: memberships, honorariums, registration fees where a purchase order is not accepted, subscriptions, dues, reimbursement of travel expenses, and in other instances when a purchase order is not accepted. In all instances, proper documentation of the reason for the check request needs to be attached. Checks are prepared for distribution every Thursday. **In order for your check request to be processed on Thursday, a complete and properly approved check request must be received in the business office by noon on Wednesday. The only exception to this is with regard to Expense Reimbursements which will be processed by the following Thursday (i.e. one week's processing time for expense reimbursements).** These deadlines are necessary to provide adequate time for a cursory review, data entry into the accounts payable system, and processing. Please note that your check request will be returned to you should there be inadequate budgetary funds available for the purchase. The check request form is available electronically at http://www.businessoffice.carlow.edu/forms/check_request_form.pdf. Approval levels for check requests are the same as those required for purchase requisitions, and are included as Exhibit 1 to this policy. Please ensure that the proper approvals have been obtained before your request arrives in the business office or the Wednesday at noon deadline to have your check by Thursday is not guaranteed and a manual check will not be processed because of the failure to obtain proper approvals. The business office cannot process any request without proper approvals.

Deadlines for submission of check requests and processing of check payments will not be adjusted due to vacation schedules in the business office; however, dates may be adjusted due to University holidays. Should there be an adjustment due to a holiday; appropriate notice will be sent to all budget administrators at least one week in advance.

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5. The purchase requisition process is documented as follows:

- a) A purchase requisition is available on the internet at http://www.businessoffice.carlow.edu/forms/po_requisition_form.pdf or electronically from the accounts payable office by calling x 6051.
- b) The form is then completed in its entirety by the requesting department, approved by the budget administrator of that department and then given to their applicable Dean, Executive Director or Vice President for additional approvals as necessary (see Exhibit 1). Attach supporting documentation as needed. You must be as specific as possible when completing this form with regard to the items needed for order as accounts payable will be placing your order for you via a fax to the vendor. A contact name and fax number for the vendor is required to be submitted with all purchase orders. Complying with this aspect of the policy is essential for the timely payment of invoices to the vendor.
- c) Once the form is properly completed and approved it should be sent to the accounts payable office for processing. The accounts payable office then does a cursory review of the form for accuracy, completeness, and to ensure that there are sufficient funds budgeted. Please note that an incomplete, improperly approved, or a requisition from an account without sufficient budgetary funds will be returned to the requesting department for correction before any processing is done by accounts payable.
- d) The accounts payable office prepares purchase orders daily and all purchase orders are then faxed to the vendor for ordering. A copy of the purchase order is forwarded to the Carlow post office for mailing to the department heads. The copy that the department heads receive is for informational purposes only as accounts payable will have already placed the order.
- e) Once the goods are received by the requisitioning department, if the goods are acceptable, the packing slip should be initialed by the department and forwarded to the accounts payable office. If the goods are unacceptable, please notify the accounts payable office immediately so that arrangements can be made to return the goods and for the University to receive credit from the vendor.
- f) All invoices should be sent directly to the accounts payable office. In the event an invoice is received by the individual department, please forward it to the accounts payable office immediately.

6. Purchase requisitions or check requests for personal orders will not be accepted due to the tax-exempt status of the University.

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7. Detailed receipts are necessary and must be provided for every expense reimbursement. The Carlow University Expense Reimbursement Policy serves as the guide for reimbursement of all travel related expenses.
8. Since the University is tax exempt, and can provide such documentation for any purchase, sales tax on purchases made by individuals will not be reimbursed (except sales tax paid on meals, hotels, and other travel). Blank sales tax exemption forms can be obtained from the accounts payable office at x 6051.
9. Expenditures of a purely personal nature should not be made under the University's name, and may be cause for disciplinary action.

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**Carlow University
Finance & Operations Division**

Purchase Order / Check Requisition Procedures

EXHIBIT 1

Authorization Levels for Purchase Requisitions, Check Requests, and Expense Reimbursements

\$500 or Under - Department Budget Administrator Approval Only

\$501 - \$2,500 - Department Budget Administrator & Department Executive Director / Vice President Approval. **For Academic Departments Only – once the budget administrator has approved the purchase, the form must be sent to the dean who is ‘primarily responsible’ for the budget area. The Dean will then approve the purchase and forward to the Vice President for Academic Affairs/Provost.**

\$2,501 - \$25,000 – Must have all approvals above and the approval of the Vice President for Finance & Operations

\$25,000 and up – Must have all the approvals above and the approval of the President.

Expenditures greater than \$100,000 will also be discussed with the Chair of the Finance Committee before a purchase order is executed.

*** Please note that all authorizations must have original signatures. Facsimile or other copied signatures will not be accepted.*

**** Utilities (such as electric, water, gas, sewage, garbage, cable, and phone) will be paid directly by the accounts payable office after review by the finance office. Utilities will only be forwarded for special approval on an exception basis should something be questionable by the finance office.*

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