

Belmont University

Purchasing Policy and Guidelines

Updated September 2009

I. Overview

This purchasing policy is intended to provide for the procurement of goods and services necessary to support the mission, goals and objectives of Belmont University, while ensuring that University resources are protected and maximized and that requirements of the sponsoring agencies are met for sponsored research expenses. Belmont University does not have a centralized purchasing and receiving operation. This means that each college and department which purchases goods or services must insure that basic internal control procedures are followed as outlined in this policy statement. The policy is also designed so that goods and services acquired by the University are in compliance with Internal Revenue regulations, federal cost regulations under Office of Management and Budget (OMB) Circular A-21, and donor guidelines. Belmont University is exempt from state sales tax in Tennessee. Tax exempt certificates should be used only when the purchase is being made directly for the University. Belmont University's exemption does not extend to student groups or organizations without appropriate authorization from the Dean of Students Office or to personal purchases.

II. Scope of Policy

This document outlines policies and procedures in general terms to allow reasonable discretion for employees who make purchases and should not be expected to cover every possible situation. This policy applies regardless of the funding source. In cases of sponsored programs or restricted discretionary funds, the terms of the grant, contract or donor's limitations may be more restrictive than the University's policy. In cases where these limitations are less restrictive, the University's policy will apply. Exceptions to this policy may be approved by the Provost or Vice President for Finance and Operations (or designee) and must be clearly justified as beneficial to the University. Colleges and departments may, at their discretion, impose greater but not less control than required by this policy.

III. Requisitions and Purchasing

A. Required Approvals for Purchases

Purchases must be approved by a University employee who has direct knowledge of, and responsibility for, the transaction. Purchases should be approved in accordance with the University's "*Purchasing Approval Matrix*". Delegation of approval or signature authority does not relieve the dean or vice president of responsibility for insuring compliance with University purchasing policies and procedures or any other regulatory constraints and/or requirements. Purchases must not be approved unless adequate funds are available within the identified funding source.

B. Bids

The bidding process helps to ensure that Belmont receives quality goods and services at the best possible price and terms. It is strongly encouraged that a minimum of three documented bids be obtained for all purchases totaling \$25,000 or more. Exceptions to this should be pre-approved by the Vice President of Finance & Operations. The documented bids should accompany the Purchase Order when

submitted to Accounting for pre-approval. Certain sponsored contracts or grants may require bids or justification for sole sourcing for lesser purchase amounts.

C. Conflicts of Interest

Any actual or perceived conflict of interest by either the person initiating the request for goods or services or by an individual approving the request must be disclosed to the Provost or the Vice President of Finance & Operations. The Belmont Conflict of Interest Form should be completed. A decision will be made as to whether the purchase should be approved. This includes, but is not limited to, any circumstances which may provide financial gain to the employee or a member of his or her family or household or to a business partner. Refer to the *Belmont Conflict of Interest Policy* for further guidelines. All employees involved in the purchasing of goods and services should review this policy annually and ensure that they are in compliance with it.

D. Purchase Orders

A purchase order is required for all items above \$2,000 except those noted below. A purchase order is required for all furniture and equipment purchases greater than \$500. All purchase orders for furniture and equipment will require the approval of the Vice President of Finance & Operations. The purchase order should be completed and approved **prior to making a purchase commitment**. For purchases of \$2,000 or less, a purchase order is not necessary but still requires appropriate approval in accordance with the University's *"Purchasing Approval Matrix"*. All purchases for office or classroom remodeling or redecorating must have a purchase order and must be coordinated in advance through the Office of the Director of Plant Operations regardless of the size or funding source. Invoices for maintenance agreements and professional services do not require a purchase order provided a prior written agreement or contract has been negotiated and approved. Professional services include such services as provided by accountants, attorneys, architects, consultants, engineers, and guest lecturers/speakers.

Purchasing Card

The purchasing card program provides a more efficient method for purchasing small dollar items. The purchase card replaces purchase orders for small dollar items where no value is added by going through the formal purchasing system and is primarily limited to **one card per department**. Travel and entertainment charges are not allowed in the purchasing card program. Faculty and staff traveling should apply for the University Travel Card. Please refer to Travel & Entertainment policy for additional guidelines. Employees who are approved as Departmental Travel Coordinators can use the Purchasing Card to pay for faculty/staff airline tickets, registration fees and pre-paid lodging. The purchase card is not intended to replace the traditional purchasing process for goods purchased in excess of \$2,000 per transaction or where value is added by using the purchasing system. There are situations, even though the amount is under \$2,000, where the purchase card should not be used, but where such transactions should follow the regular method of procurement and payment.

These include:

- Professional services
- Computer, equipment, furniture and inventory items
- Fuel for personal or motor pool vehicles
- Travel and entertainment charges
- Interdepartmental charges
- Personal charges of any nature.
- Cell phone purchases or monthly bill payments.
- ****NOTE**** All computers, hardware, software, printers, external drives, and USB flash drives of any type must be purchased through User Services.

IV. Receiving

For all purchases \$2,000 or more, acknowledgement of receipt of goods and services must be performed by a Belmont employee other than the employee who authorized the purchase of goods. For all purchases less than \$2,000, it is desirable that acknowledgement of receipt of goods and services be performed by a Belmont employee other than the employee who authorized the purchase.

V. Payment

A. Purchasing Card

For purchases of less than \$2,000, the purchasing card is the preferred method of payment. Other forms of payment, including check requests and petty cash transactions should be used only when payment via the purchasing card is not accepted by the vendor. The purchasing card monthly report should be fully completed on-line by the card holder and appropriately approved by the designated card approver that was assigned at the time of card issuance. Completed forms and all appropriate documentation must be submitted to accounting or the request will be returned to originating department.

B. Check Requests

Check request forms are used to authorize payment to vendors for invoices received from vendors in direct bill circumstances. Check requests made by Tuesday at noon are available on Friday. Requests submitted by Thursday noon will be ready by Tuesday of the following week. All check requests should be appropriately approved in accordance with the University's "*Purchasing Approval Matrix*". Completed forms and all appropriate documentation must be submitted to accounting or the request will be returned to originating department.

C. Petty Cash

Purchases under \$50 that cannot be made with a University purchasing card should be made or reimbursed from petty cash. All *petty cash slips* should be approved by departmental budget managers before submission to accounting for final processing. Upon final approval the petty cash should be obtained at Belmont Central. No employee can approve or sign off for their own expenses. Completed forms and all appropriate documentation must be submitted to accounting or the request will be returned to originating department.

D. Expense Reimbursements

Employees seeking reimbursement for business expenses they paid for using the Travel Card or other personal methods should complete the *Expense Reimbursement Form* and submit to their supervisor for review and approval. These should then be forwarded to the departmental budget manager for further processing and approval. In no circumstances can employees approve or sign off on their own expense reimbursement. Completed forms and all appropriate documentation must be submitted to accounting or the request will be returned to originating department.

E. Purchase Orders

When accounting receives an active purchase order along with vendor invoice/receipt that has been properly approved it will be processed for payment. Invoice totals different from the amount of the purchase order will be paid if the difference is less than 10% of the total purchase order and does not exceed \$500. In

all other situations, the invoice will be referred to the appropriate budget manager for resolution and payment authorization. Completed forms and all appropriate documentation must be submitted to accounting or the request will be returned to originating department.

VI. Forms

All purchasing related forms may be downloaded from the Forms page of the Office of Human Resources or Finance and Accounting web sites. **See appendix to this policy for sample forms and additional procedural guidelines for proper completion of each form.** Contact the Office of Finance and Accounting for questions.

VII. Specific Purchase Transactions

A. Furniture and Equipment

All furniture and equipment items in the custody of Belmont University, regardless of how acquired, must be accounted for at all times. *See Fixed Asset Policy and Guidelines.* Refer to Purchase Order section above for proper use when acquiring furniture and equipment. Each department of the University is responsible for maintaining a current inventory of fixed assets and submitting to the Accounting Office for upload into the Fixed Asset Software.

B. Expenditures for University Outreach, Development, and Community Hospitality

Belmont University relies on student tuition funds and donor contributions for the majority of its revenue. The following guidelines help the Belmont community in exercising responsible stewardship. Academic and administrative offices may use funds for outreach, program and unit development, and community hospitality with these guidelines.

- Hospitality expenses should be targeted primarily toward prospective students, development opportunities and selected recruitment activities. Daily and ongoing hospitality expenses (i.e., coffee, soft drinks, bottled water, and food) for the benefit of faculty, staff and students are inappropriate and not allowed. Meals for employees during normal work hours when no overnight travel is involved (i.e. working lunches) are inappropriate.
- Modest expenses for events designed to maintain and build community and morale (i.e. back-to-school or end-of-year events for students; for celebrations of exceptional achievement toward department, school, university or university goals) are acceptable. Expenses for more frequent events or events individual in nature (i.e., birthday parties, Secretary's Day, or Boss's Day) are not acceptable. Receptions for faculty and staff departures or retirements require the specific prior approval of a Dean or Vice President before the event may take place.
- Catering expenses for annual departmental retreats are acceptable however must be approved in advance by the Vice President. This approval should be well documented. Catering expenses for programmed events with external guests present such as student award ceremonies, BURS or Teaching Center events are acceptable. Catering for routine and regularly reoccurring meetings of faculty and staff are not acceptable. The University's approved vendor for on campus catering is Sodexo.

- The University sends flowers for the death or hospitalization of any faculty or staff member or for members of the immediate family (husband, wife, and child). The offices of the President, Provost, Finance and Operations and Development are authorized to send flowers.

It is inappropriate for a Belmont faculty or staff employee to spend University funds for personal non-business related purchases. It is inappropriate to use Belmont funds for the following:

- Any purchase that reflects unfavorably upon the University, such as alcoholic beverages.
- Solicited donations or political contributions.
- Personal gifts to students, other than de minimis graduation gifts, or personnel.
- Groceries, bakery goods, meals for personal consumption.
- Supplies and equipment for personal use.
- Purchases of clothing items for personal use.
- Purchases intended solely to deplete budget funds. Accounting principles require equipment, supplies, services, or travel expenses that benefit a future academic year to be allocated to that academic year.
- Gasoline purchases and transportation to and from work.

C. Printing

The Office of Communications is available for most printing and copy jobs. Departments should use the Office of Communication for these services and will incur an interdepartmental charge. Refer to the Office of Communication website for further guidelines and description of their services.

D. Travel

The University offers employees who travel as part of their job a Travel Credit Card. To apply for this card contact the Accounting Department. All travel related charges for employees should be paid for by either using the University Travel Card or other personal methods. As described in section III.E, flights and prepaid lodging can be paid for by the Departmental Purchasing Card by contacting the Departmental Travel Coordinator. Employees should complete the Expense Reimbursement Form and submit all itemized receipts in order to receive reimbursement for travel charges. Cash advances will not be allowed for normal travel related expenses. Cash advances will only be approved on a case by case basis by the University Controller. Refer to the University's "*Travel and Entertainment Policy*" for further guidelines.

E. Postage

The University Mail Center should be used for all postage needs. An interdepartmental charge will be posted for these services. Refer to the Mail Center's web site for further guidelines and descriptions of their services.

F. Telephone Services

Long Distance phone service is provided by the University and tracked by departmental codes. Contact departmental budget manager for long distance code. Departmental budgets will not be charged for long distance charges. **Cell Phones-** Employees who have a justified need for business use of a cell phone should obtain approval from department head or Vice President in order to use University funds to pay for the phone and the monthly service

charges. The University is in the process of adopting a "Mobile Communications Devices Policy". Until this new policy becomes effective all phone purchases and monthly services charges not on the University's AT&T contract should be set up for reimbursement through use of a check request. Purchasing cards should not be used to pay for these charges.

VIII. Audit

As a part of the University's internal control procedures, the internal auditor will perform periodic reviews of purchase orders, check requests, petty cash vouchers, purchasing card statements and all documentation to verify compliance with policies and procedures. Failure to adhere to adopted policies and procedures will be noted and discussed with departmental directors and vice presidents.