

## General Purchasing and Expenditure Procedures – REVISED April 2018

We in the Business Office want to provide the best possible service for you to help you achieve your professional goals. Here are a few reminders about some of the procedural requirements that help us help you make the purchases you need. The following information is a summary of policies and procedures which are available on the Business Office web page. *Please familiarize yourself with this document. It is important that these procedures are followed.*

### General Requirements for All Expenditure Requests

- **All purchases require preapproval.** Faculty and staff are not authorized to commit the College's resources on their own.
- **Two signatures are always required.** One required signature is from the Associate Academic Vice President or a Vice President. The other required signature is from the maker of the expenditure request. In some cases, a third signature may be required, that of the project supervisor.
- Be sure to verify availability of funds in your **budget** before sending any expenditure request to the Business Office/Finance Department.
- Prepare forms in pen, never pencil. Describe your expenditure in enough detail that we can verify your choice of account number.
- A complete 10-character account number for each project to be charged must be present on the expenditure request. This is the sequence for the account number: fund number, 2 digits; department/project number, 4 digits; account number, 4 digits. For example: 10.7101.7211 (See the "CampusVue Finance - Expense Accounts posted on the Business Office webpage for a complete list of account numbers to use.)

**Requisitions and Purchase Orders:** All requisitions are entered into CampusVue Finance resulting in purchase orders after approvals specified in the system.

Be sure to obtain an approved purchase order number in advance of ordering goods or services. The College is advising our vendors that we will not pay invoices without an approved purchase order number on the invoice.

If you use initials for a vendor name, please show the full name also, unless the initials are the only name. Please also show the vendor's full address. Unless otherwise indicated, a vendor invoice is paid 30 days after the invoice date.

A requisition should show the full amount of the item. If a partial payment is required, please attach documentation showing both the full amount to be committed and the amount needed and date due for the partial payment. Please be as specific as possible in your descriptions.

All requisitions for **computers, peripheral equipment, and software** must also be approved by Dan Wolters, as well as your VP or AAVP.

Purchase orders numbers are also required for **food or services contracted through Sodexo** (the food vendor in the Student Center). Be sure to include the date of the event on your Sodexo requisition.

Please see the purchasing policy on the Business Office webpage at rocky.edu. Be sure to follow bid requirements for items costing more than \$5,000 and \$1,000 respectively.

**Vendors** should be directed to send **invoices** directly to the Business Office, not to other departments. Vendors also need to include the purchase order number on all invoices.

Requisitions should not be used for items best handled by a check request (see below).

### **Requesting Payment**

- All requests for checks to outside vendors must be detailed on an invoice with the purchase order # or on a blue check request form. A blue check request form should only be used when we will not be invoiced for the items, such as subscriptions, memberships, conference registrations, prizes and awards. *Attach documentation that verifies the amount to be paid.*
- Requests for checks to faculty or staff for business expenses are made on a properly completed travel advance or expense report.

**Deadline:** If you need a check, submit the completed check request and travel advance requests to the Business Office by **noon on Wednesday**. Checks are generally available Friday after 2:00 pm.

### **Expense Reports**

Expense reports are used to report travel expenses or other usage of personal cash or credit cards, and should be submitted preferably by Monday of the next week, otherwise, within 10 days of the expenditures. Before incurring expenditures which you expect to have reimbursed through an expense report, get pre-approval from your VP or AAVP. Failure to obtain pre-approval may result in the denial of a reimbursement.

Expense reports must include the following:

- *Original itemized* receipts, including meal tickets, attached. The receipt or printout must detail both the items paid for and the cost, and show the vendor's name and address. *New:* There is now a field on the expense report form for the vendor address, which must be completed.
- An explanation of the business purpose - who, what, when, where and why.

Improperly completed expense reports may be returned to you, slowing the reimbursement process.

*Payment for services rendered to the college by an individual, or for prizes or awards should not be made by College personnel directly to the individual, and should not appear on an expense report. Use of personal credit cards is discouraged and should never be used for anything other than small incidental items and travel expenses.*

***An expense that is over 60 days old cannot be reimbursed, per IRS rules.***

### **Travel Policy**

Please read the travel policy on the Business Office web page, under Faculty and Staff at Rocky.edu. Here are a few points from that document:

- Anyone driving a Rocky-owned vehicle, renting a vehicle for college business or driving a personal vehicle for Rocky purposes must be registered with the Human Resources office. Please submit a copy of the Motor Vehicle Report Release form several days in advance. This form is available on the Human Resources webpage.

- The college reimburses mileage for personal car use at the rate of \$0.40 per mile. Gas purchases are reimbursed only for using college-owned vehicles or rental cars. *Please specify what you drove when requesting a reimbursement for gasoline.*
- College policy requires taking the extra liability insurance on rental cars, also known as damage waiver unless you are using a Rocky Visa (see Travel Policy for more information on Visa-charged vehicle rentals).
- If you are planning an out-of-state trip with hotel stay, please let us know a few weeks in advance so we can investigate getting the state sales tax waived.
- If you will be away on college business overnight, a \$39 per diem for meals is available, no receipts required.
- For each authorized trip, you must select one reimbursement method for your meals – either per diem, or submitting detailed receipts.

### **Payment for Personal Services**

Requests for payments to individuals for personal services can be processed through check requests and purchase orders, *but not through expense reports*. Such payments will most likely require a Form W-9 and Independent Contractor Agreement, if the vendor qualifies as an independent contractor. The W-9 form provides the College with social security numbers for federal tax reporting purposes. If you are unsure about the necessity of obtaining a Form W-9, call Vicki Montgomery in the Business Office, Extension 1013.

To determine whether the vendor qualifies as an independent contractor, call Cindy Hessler at Extension 1043. Individuals who don't qualify as an independent contractor may have to be set up as temporary employees. *(See also the Independent Contractor Form Instructions on the Business Office webpage.)*

#### *Requirements for Independent Contractors:*

- An independent contractor must provide, before beginning work on campus, a currently valid independent contractor exemption certificate issued by the State of Montana, **or** a certificate of workers comp insurance on himself.
- If there is any conceivable risk of injury, the independent contractor must provide a certificate of liability insurance, with RMC named as an additional insured party.

### **Human Resource Action Requests (HRAR)**

Any time College employees are paid for services beyond the scope of their employment agreements, receive nonstandard benefits that have monetary value, or do not qualify as an independent contractor, an HRAR must be filed with Human Resources. Also, use an HRAR for outside service providers who do not qualify as independent contractor.

### **Awards, Prizes and Bonuses**

Any form of cash, gift certificate or gift card exceeding \$25 per year is reportable income. Please have a student recipient fill out a W-9 form, and attach it to a blue check request form. Please prepare an HRAR for a faculty or staff member recipient.

### **Cash Handling Basics (including checks) – See Cash and Credit Card Receipts Policy**

- Please direct all donors, and others mailing checks to the college, to send the checks directly to the Business Office.

- Please bring all cash and checks received in other departments to the Cashier the same day, or, for evening events, make arrangements with the Business Office for safekeeping of the cash. Include a list of your cash receipts and what account(s) they should be credited to (Cash Receipts Log). Lock up cash or checks between receipt and delivery to the Business Office. Restrictively endorse all checks with the college endorsement stamp.
- Do not put cash in interoffice mail, or attach cash or a check refund of travel advance to your expense report. If you owe the college on a travel advance, settle up as soon as you return, and attach the Business Office receipt to your expense report.
- Do not pay expenses out of cash received. We need complete totals for cash receipts and for expenses.
- Only college staff should bring cash receipts to the Business Office.

#### **Additional Points**

- Our capitalization policy is \$1,000. So if you purchase a tangible item for \$1,000 or more that will provide more than one year of service, it is a fixed asset (account number 8220), not a supply.  
If you are purchasing several pieces of equipment and the items each cost less than \$1,000 but overall the total is over \$1,000, please contact Kathy McKibbin in the Business Office about whether to treat the purchase as equipment or supplies. Each situation needs to be evaluated separately.
- Supply budgets: remember, your supply budget covers postage, copies and supplies acquired from Central Operations or the Bookstore, as well as supplies you intend to purchase.
- With certain pre-arranged exceptions, only the President or Vice Presidents have the authority to sign contracts and obligate the college.
- Field trips are only for students who are registered and are validated for the course.
- Cell phone reimbursements need prior arrangements, and are taxable income.
- Anyone who issues an invoice must send a copy of the invoice to the Business Office, with adequate explanation of what the requested payment is for, and the account number to credit for the revenue.

#### **Where Can I Find . . . ?**

##### ***On the Business Office web page at rocky.edu (under the Faculty and Staff menu)***

- Forms for downloading (expense report, travel advance, requisition forms, W-9, etc.)
- Policies and Procedures - such as travel, purchasing, raffle, independent contractor, handling of cash receipts, and RMC credit card use.  
*Please be sure to read through the travel policy and purchasing procedures in their entirety.*
- CampusVue Finance account lists showing the new account numbers to use effective 7/1/09

***In the Business Office:*** Blue check request forms

Thanks for remembering these procedural requirements. Following this system will greatly reduce administrative delays. If we can help you with questions on these topics, please call Vicki Montgomery in the Business Office at extension 1013 or Becky Berge at extension 1017.