



**Procurement Services**

**FY 22/23 Policies & Procedures**

**(rev. 9/2023)**

This Procurement Services document is intended to outline the University's policies and procedures for purchasing matters, accounts payable issues, travel, shipping & receiving, and the University Post Office.

**In 2022, the University began conversion from FRS to Colleague. This conversion included Procurement and its various functions. Please consult the following web page for specific instructions on how to use the new system, the new object code listing and other items related to Colleague:** <https://operations.loyno.edu/purchasing>

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## **Section I: PURCHASING**

The University has different procedures to facilitate the purchase of goods or services depending on the nature of what is needed or requested. The chart below identifies, in general, the method a department should follow for their particular need.

<b>Procurement Need/Type</b>	<b>General Procedure</b>
Purchase of goods or services from a vendor	University-issued Purchase Order
Purchase of goods or services from a vendor that does not accept University-issued purchase orders	University-issued credit card or Procurement credit card
Faculty, staff, student or guest reimbursements	Check request via Colleague
Payments to outside contractors for professional services or for membership dues	Check request via AP
Postage	Check request via AP

### **General University Policies**

Purchasing is the only office which can place **purchase orders** on behalf of the University. Absent a purchase order, the University assumes no obligation with written, email, or telephone communications by individuals or departments.

Agreements requiring services to be performed at the behest of the University are **contracts**. The authority to sign a contract on behalf of the University must be expressly documented pursuant to the policies of the Board of Trustees of Loyola University New Orleans.

Contracts greater than \$20,000 must be submitted to the Office of General Counsel for review prior to execution by either party. A document of this type is required to be reviewed by the University General Counsel's Office. Legal review information can be found at

<http://president.loyno.edu/government-legal-affairs/policies-contracts-agreements>

## General Procurement Policies

The following support documentation is required based on the amount of the purchase:

- \$0-5,000 No requirement
- \$5,000-9,999 A minimum of 3 written quotes and a signed (by Dept head) cost price analysis form
- \$10,000+ RFP (formal, written bid process)\*\*

\*\*or other means as determined by the Director of Procurement

**ALL** requisitions (for contracts or purchase orders), regardless of amount, require Purchasing's approval.

**ALL orders over \$5,000** will be reviewed by the Finance Department and are subject to final approval by the COO & Senior Vice President of Finance.

NOTE: Any request to spend restricted grant funds are reviewed and approved by the Controller or Senior Accountant.

Last, there are certain items **not permitted** to be purchased regardless of funding source:

- The purchase of alcohol or alcoholic beverages. This includes drinks at a reimbursable meal, alcohol as gifts and or any other forms of presentation. Advancement has been provided an exemption from this policy (2/2021) by COO
- Personal Expenses

## General Purchase Order Procedures

Departments can initiate purchase requisitions via Colleague. Department directors determine which individuals in their area have access to the on-line requisition system. Directors must submit in writing their requests to have individuals set up in the system as a user. The requests are sent to the IT Department for user access and then to Financial Affairs for security clearance.

Once the requisition is complete, the Purchasing department electronically approves and creates a purchase order. However, depending on the funding source and/or type of procurement, there may be other levels of approval before a requisition can proceed.\*\* Lastly, a requisition may need to be reviewed by the University Budget Manager as outlined above to determine if there is adequate budget funding for the purchase. Please note, it is against University policy to overdraw accounts. No requisitions will be processed on accounts with insufficient funds.

Each requisition is individually reviewed for completeness and compliance with the University's policies. The requisition status can be viewed in Colleague and end users

will see the status change as the requisition moves through approvals to the completion of a purchase order.

In general, a purchase order is automatically emailed to the vendor. If the department does not want a copy of the PO sent to the vendor, please let the Procurement department know in advance or add it as an "Internal Comment" on the requisition.

If the vendor requires a contract document to be signed or the University prepares a contract document, this document is done in addition and in conjunction with the creation of a purchase order. The terms, conditions, specifications, and prices of the contract become a part of the purchase order issued and all contract documents must be provided with the requisition for attachment to the purchase order.

**\*\*NOTE: Grant and Agency Purchases require additional approvals and must comply with university policies and procedures and grant regulations. Certain purchasing categories (subcodes) can require additional approval from other departments--e.g. computer purchases are approved by Information Technology**

#### Procedures for Special Purchasing Requests

**Prepaid orders:** These types of procurements should be entered into Colleague and clearly identified in the "Internal Comments" section of the requisition as a "Prepayment". Prepayments must include the exact cost with any tax and shipping charges. It is best the department receive a pro forma invoice from the vendor. Alternatively, the University can accept a vendor price list or receipt acknowledging prepayment is required.

The pro forma invoice, receipt or price list with the purchase order number written on it needs to be attached to the electronic requisition before submitting it to Procurement.

**Sole/single source or emergency procurements:** When competition would otherwise be required, but is not feasible due to the sole source or emergency nature of the commodity or service, a department must be able to justify and document the selection of the vendor and establish the reasonableness of price. Two items are required to be exempted from the threshold requirements:

- Proof of price reasonableness, as in proof of either a 0% increase from the previous year(s) or an increase of less than the current CPI (consumer price index).
- Justification (either sole source or emergency), as in a description of the emergency or a description of the sole source proprietary nature of the good or service.

Facility construction or improvement projects: The Physical Plant department reviews any requisitions or contracts for operations and/or services involving repairs, maintenance or alterations to the University's buildings or equipment.

## **University Credit Card Policies & Procedures**

### University-issued credit cards

These cards are to be used primarily for those faculty and staff who have extensive travel and entertainment expenses. University issued credit cards are NOT to be used as purchasing cards (P-cards). In addition, please note *personal purchases*, regardless of dollar amount, are not allowable on university issued credit cards.

### Procurement department credit card

The Procurement department has been issued a University credit card to facilitate procurements where a vendor will not accept a University issued purchase order.

Please complete the credit card charge request form and forward to Purchasing. Once the form is completed and sent, the Purchasing department will execute the purchase.

### Permitted credit card charges (Procurement Card or University Departmental Card):

- Membership Dues to Professional Organizations (**NOTE: Subscription services from Professional Organizations are specifically not permitted.**)
- Conference Registration & Related Purchases—e.g., resources purchased while attending a conference, such as books or instructional materials
- Webinars
- Airfare/Rail
- Checked baggage fees
- Hotel Expenditures
- Car Rental
- Car Service
- Taxi Cabs
- Gasoline
- Parking
- Tolls
- Shuttles
- Restaurants and Food Marts
- Business Meals
- Recurring Social Media Subscription Charges

Expenses **not** permitted (Procurement Card or University Departmental Card):

- Supplies, including party supplies and office supplies
- Purchase of alcohol or alcoholic beverages
- Magazine or publication subscriptions
- Equipment
- Movies
- Gift cards
- Gifts
- Flowers (please contact Purchasing for this request)
- Postage/Common Carrier (please follow check request procedures for this)
- Parking or Traffic Violations
- Airline Clubs
- Guest Related Costs
- Conference Tours
- Lost or stolen property
- Facility Rentals
- Contractual Services
- Personal expenses for faculty, staff, spouses or other family members
- Childcare Expenses and Pet Boarding
- Fees involved by extending the trip for personal vacation
- On-line Job Advertisements \*\*\*

\*\*\*(Advertising for staff positions, please contact Human Resources. Advertising for faculty positions, please contact the Provost's Office.)

### **Other Key Policies & Procedures**

New vendor in Colleague: If a vendor is not in Colleague, there are 3 items required to enter a new vendor into the Colleague system: a completed vendor ID form (please contact Procurement for this form), a signed W9 and the required insurance documents. Vendor insurance requirements can be found at <http://finance.loyno.edu/risk/insurance-requirements-contractors> .

Taxes: Loyola University is exempt from State and Federal taxes. However, the University is not exempt from the City of New Orleans tax which is 5% on all purchase, repair, lease or rental of tangible personal property items.

Vendor Insurance: All vendors performing services on campus are required to carry the required insurances as per the University's Office of Risk Management. These insurance documents will be obtained by Purchasing prior to the issuance of a purchase order or contract and the cost of obtaining the required insurance is at the vendor's expense. Please refer to the Office of Risk Management's page (<http://finance.loyno.edu/risk/insurance-requirements-contractors>) to review the required insurance coverages.



Purchase order funds: University departments are responsible for funding the full amount of ongoing services within the fiscal year. Regardless of the frequency with which a service contract is billed or invoiced (ie. monthly or quarterly), the entire year's expense must be encumbered up front in advance of the start of services.

### **Non-employee Gift Purchases:**

In the event a department chooses to provide a gift in lieu of payment to an individual (non- employee), the gift may be taxable. Gifts purchased with university funds are taxable to the non-employee recipient, per IRS regulations, if any of the following statements are true:

1. The aggregate value of the gift is greater than \$100; or
2. The gifts are provided on a routine basis; or
3. The gift is provided in the form of cash (**i.e. cash, check, gift card, gift certificate, etc.**).

If a gift provided to a non-employee is deemed taxable as per the above guidelines, then the value of the gift provided must be reported to the individual as taxable income.

The payment request must include and must comply with University reimbursement procedures:

- a completed W-9 form (or other appropriate form if the individual is not considered a United States resident for tax purposes)
- an acknowledgement from the recipient the gift was received

\*Please note: If the combined total of value of the gifts received and compensation for services rendered exceeds \$600 in any calendar year for a non-employee, a Form-1099-MISC will be issued.

Non-Employee Gift/Cash/Gift Card/Gift Certificate categories:

- Aggregate Value of a Gift Item Over \$100
- Aggregate Value of a Gift Item Under \$100
- Gifts Provided on a Routine Basis

Definition of a Gift: a gift is anything you give to another person — cash or property — without getting value in return; examples gift basket, gift certificates, gift cards, e-cards, cash, etc.

\*\* Gifts given to students for employment related services or activities must comply with Human Resource's policy regarding gifts to employees

\*\* Gifts given to students who are not Loyola employees or to student employees for non-employment related activities (survey participation, department awards, etc.) must comply with the policy for non-employee gift purchases

**Procedure for purchasing a gift (other than gift cards or e-cards):**

Less than an aggregate of \$100 – this is not taxable to the recipient and maybe purchased or reimbursed to the employee via a check request

More than an aggregate of \$100 – this is taxable to the recipient. The University requires a completed W9 form, an acknowledgement the gift was received and a receipt of purchase. This will be reimbursed via the check request process

Gifts made on a routine basis – are taxable depending on if the aggregate value exceeds \$600 during the calendar year. Taxable items require a W9, an acknowledgement of receipt and a receipt of purchase.

**Procedure for the purchasing of gift cards or e-cards, cash or check:**

These items regardless of value are **ALWAYS** taxable to the recipient.

To purchase these items reimbursed via check request (either as an advance to the employee or post purchase), the employee must collect the following:

- A W9 from each recipient
- A written confirmation of receipt of the gift card/e card
- A purchase receipt of the e card or gift card
- Completion of the University gift card/ecard form

\*\* Normally the University does not permit departments to use the University credit card for such purchases, however exceptions may be granted. In that case, the same documentation is required.

**NOTE:** ANY gift to an employee of Loyola University New Orleans must be reported directly to Human Resources.

## **Section II: ACCOUNTS PAYABLE**

Accounts Payable is responsible for processing payments on procurement transactions.

Once a purchase order has been issued and the good or service has been received, an invoice needs to be generated by the vendor for payment. Invoices should be sent to Accounts Payable via campus mail or to [ap@loyno.edu](mailto:ap@loyno.edu).

Upon receipt of an invoice, Accounts Payable is responsible for ensuring the accuracy of the following information:

- Vendor Address
- Amount due
- PO#
- Order status (i.e., complete or partially fulfilled)
- Taxes

Accounts Payable will resolve any invoice issues and process the invoice for payment once they are corrected.

### **Accounts Payable Procedures**

#### **Requests for Advance Funds**

Accounts Payable is responsible for the processing of two types of requests for “advance” funds. ALL “advance” funds requests should be processed as a “Payment Request” through Colleague.

Advances are allowed for Faculty & Staff travel and travel-related expenses 10 days prior to the commencement of the event/trip. Receipts are required within 10 days of return. Monitoring of these advances should be done monthly with violations or non-compliance sent to Human Resources within 30 days of the violation.

Advances may be requested for travel related expenses such as registration fees or airline tickets can be provided within 10 days of the expected purchase date, even though this date may be well in advance of the travel date. Proper documentation must be submitted within 60 calendar days after the expense was paid or incurred. For travel purposes, the University begins counting the 60 day reimbursement allowance period on the day following the end date of travel.

#### **Check Requests**

Check requests are ONLY to be used for the following items:

- Membership & dues
- Travel & entertainment
- Conference registration
- Postage

- Periodicals and subscriptions
- Single book purchases
- Honoraria\*
- Moving expenses\*
- Professional fees\* (NOTE: Fees paid to an individual are subject to Federal 1099 guidelines and must be processed through Human Resources.)
- Awards\*
- Reimbursements (up to \$500 on tangible personal property)

**\*NOTE: These items require the payee to complete a W-9 Form.**

To process a check request, the department or person must complete a check request form and supply all supporting documentation required for the appropriate category. The check request form can be found at <http://finance.loyno.edu/sites/finance.loyno.edu/files/OnlineCheckRequest.pdf>. Once the form is completed and all supporting documentation is attached, the packet is forwarded to the Accounts Payable office. Please refer to the Check Requests and Invoices page (<http://finance.loyno.edu/financial-affairs/check-requests-invoices>) for additional information regarding this process.

### **Section III: TRAVEL**

Loyola University will reimburse authorized university travelers for travel-related expenses which are reasonable and necessary to conduct university business. Travelers are expected to take advantage of all savings opportunities when possible (e.g. economy class airfares).

Effective August 2022, Concur will be used to process the University Credit Card transactions **ONLY**. Travel reimbursements purchased on personal credit cards should be submitted through Colleague as a “Payment Request” and itemized line item by line item (as was previously done in Concur). University employees may still use Concur to book travel, however the reimbursement will be done through Colleague as a “Payment Request”.

Special Notes:

- In accordance with IRS accountable plan regulations, reimbursements must be submitted within 60 calendar days after business related expenses are incurred. For travel purposes, the 60 day reimbursement allowance period begins on the day following the end date of travel. The end date of travel is defined as the employee’s return to New Orleans.
- Reimbursements submitted after 60 days from the end date of travel will not be processed.

- This policy will apply to all reimbursement requests, including those submitted by independent contractors.
- For student reimbursements with receipts 60 days or older, the check request must be accompanied by a completed W-9 form for 1099 reporting purposes.
- Any single expenditure of \$50 or more must be accompanied by a receipt.
- In place of reimbursement for actual lodging and/or meal expenses, a reasonable per diem may be utilized. Per diems may be less than but cannot exceed the regular federal per diem rate for lodging and meals in effect for the areas where you stop for sleep or rest.
- For those who conduct university business with their personal cars, the university will reimburse the traveler at either the standard mileage rate established by the university or actual gasoline expenses submitted with original receipts.

Travel expenses not eligible for reimbursement include:

- Flight insurance and/or trip protection
- Purchase of alcohol or alcoholic beverages
- Airline clubs
- Lost or stolen property
- Parking or traffic violations
- Personal entertainment (e.g. movies, in-room movies, exercise facilities)
- Personal gifts
- Conference tours
- Fees involved by extending the trip for personal vacation
- Guest-related costs
- Childcare & pet boarding
- first class tickets, travel insurance, airline club fees, personal commuting expenses and local hotel purchases for faculty and staff

Please note: Cell phone charges related to International travel are reimbursable with an itemized statement

For more information on per diem rates, travel under sponsored projects, spousal travel and personal car mileage, please refer to the University Travel information page at <http://finance.loyno.edu/financial-affairs/travel>

## **Section IV: CENTRAL RECEIVING & SHIPPING**

### **Central Receiving**

All goods shipped to the University are received and processed by Central Receiving, a division of the Procurement Department. All goods received may be inspected for damage and to verify packing slip details before being accepted.

Special Notes:

- Large or very heavy items will be delivered by the University janitorial services upon the ordering department completing a work request.
- Any damaged goods should be reported immediately to the janitorial service directly after delivery.
- Central Receiving does not assemble any equipment or furniture. If you need this service, please contact Procurement.

### **Shipping Services**

Outgoing packages may be brought to Central Receiving for processing. Please ensure you bring the department's Colleague Account number and the Outgoing Shipment Form when dropping off the package.

The form can be found at

<http://finance.loyno.edu/sites/finance.loyno.edu/files/FedEx%20Form.pdf>.

## **Section V: UNIVERSITY POST OFFICE**

The Danna Center Post Office is a contract station of the United States Postal Service and, therefore, follows the shipping guidelines of the USPS. Domestic packages cannot weigh more than 70 lbs. or measure more than 108 inches length and girth combined. Larger packages can result in a surcharge or may not be accepted at all by the USPS. The customer's parcel must already be packaged and addressed when brought to the Danna Center Post Office. We provide Flat-Rate Priority Mail envelopes and boxes, as well as Flat-Rate Express Mail envelopes and boxes. We also sell pre-stamped envelopes, but we do not provide manila envelopes or padded envelopes.

University guidelines for mailing for faculty and staff can be found at

<http://finance.loyno.edu/post-office/campus-mailing-guidelines>.