

Purchasing, Financial & Human Resources Guidelines

Information included in this document is meant to supplement the general information provided by OU's Financial Services & Purchasing office which is subject to change at any time. Everyone is urged to review institutional guidelines available at:

Financial Services: <http://www.ou.edu/controller/fss/>

Purchasing: <http://www.ou.edu/purchasing/index.html>

OU Regents: http://www.ou.edu/regents/official_agenda/CurrentPolicyManual.pdf

2014 OU FOUNDATION PROCEDURE CHANGE

New OU Foundation procedural changes will begin July 1, 2014. This will impact payments and deposits which have in the past been processed through OUF. These changes are driven by OUF Auditors and University Financial Services, and are supported at the highest level. Changes are being implemented to:

- **Reduce the risk of duplicate, improper and fraudulent payments**
- **Reduce the risk of deposits resulting in improper tax reporting**

Direct Payments to Third Parties

The University Financial Services Department will serve as the primary internal control point over vendor payments. Payments made on behalf of the University of Oklahoma will be processed through OU's Financial Services department and will adhere to the policies and procedures in place for state agencies. Any approved exception to this procedure will be routed through Financial Services for review before payment is processed by OUF (see Memberships). Reimbursements to university accounts will be requested from OUF funds when applicable.

Other Income

"Other income" is defined as non-gift revenue that is not deductible by the payer for tax purposes because it represents payment for some service or product received. Simply put, the "other income" should have some charitable element to it. All "other income" that is deposited at the Foundation must be consistent with the mission statement noted below:

The University of Oklahoma Foundation is an independent not-for-profit corporation that encourages and supports charitable giving for the benefit of the University of Oklahoma. The Foundation acts as the principal organization through which those gifts are made and administered for the benefit of the University. The sole reason for its existence is to serve the University of Oklahoma and the generous donors who support the University.

Examples of such "other income" that may be deposited at the Foundation may include revenues from the following activities:

- **Expense Reimbursements** - Refunds or reimbursements of specific disbursements from Foundation funds.
- **Events / Registration Fees** - Revenue from business related events sponsored by university departments for donor or alumni activities.
- **Fundraiser Event** - Revenue from meals, event tickets or auctions for fundraiser events.
- **Sale of Merchandise** - The merchandise must have been purchased with Foundation funds, and the deposit must be made to the same Foundation account that funded the purchase.

“Other income” generated from the conduct of university business must be deposited with the university, not the Foundation. Examples of such revenue that must be deposited at the university may include the following activities:

- **Tuition fees**
- **Royalty Payments**
- **Deposits from Conferences, Workshops, Symposiums or Other Continuing Education Events**
- **Funds for Performances or Concerts**
- **Deposits from Students for Travel**
- **Deposits for Sale of University Property (Equipment, Surplus Items, Etc.)**
- **Study Abroad course student fees**

The remainder of these guidelines will briefly discuss common purchasing procedures. It is always best to ask Gaylord College’s financial staff about the purchasing process and eligibility of a purchase prior to committing to a purchase or spending your own funds.

PROOF OF PURCHASE

Proof of payment is required for any personal reimbursement of eligible expenses. **It is not advisable to pay for anything with cash.** You should collect all receipts and submit to the financial department for reimbursement. Types of receipts that should be submitted include:

- Itemized transaction receipt – this shows an itemized list of items purchased and their cost and sometimes the credit card payment information

AND (1 item from below if credit card charge info is not on itemized receipt)

- Credit card payment receipt – this generally shows the total amount paid by credit card

OR

- Zero balance vendor receipt/statement

OR

- Credit card or bank statement – when a credit card payment receipt is not received, a copy of your credit card or bank statement can be accepted as your proof of payment

ITEMIZED RECEIPT EXAMPLE:

Check your meal plan account at
www.ou.edu/soonercard
Einsteins Bagels now open!

7073 KATHLEEN

CHK 6182 APR17'14 12:15PM

COUNTER

1 ROT. CHK COMBO	7.00
1 *mashed potatoes	0.00
1 *gravy*	0.00
1 *green beans*	0.00
Food Sales	7.00
Total Paid	7.00
XXXXXXXXXXXX8647	XX/XX
Visa	7.00

THANK YOU

Your order number is 6182

CREDIT CARD RECEIPT EXAMPLE:

OLIVER'S
CHECK: 6182
SERVER: 7073 KATHLEEN
DATE: APR17'14 12:15PM
CARD TYPE: Visa
ACCT #: XXXXXXXXXXXXXXX8647
EXP DATE: XX/XX
AUTH CODE: 551641

TOTAL: 7.00

Total _____

X _____
Customer Signature

I Agree to pay above total
amount according to Card holder
agreement

EMPLOYEES

There are strict federal and state rules for hiring any individual to perform services. Depending on the classification, there could be several actions that must be approved before the work can begin such as Freeze Form, Independent Contractor status, job listing and new hire paperwork. University hiring policies can be reviewed on the Human Resources website: <http://hr.ou.edu/> Questions should be directed to the Gaylord College Financial Director.

IMPORTANT NOTE: No one should allow an individual to begin working without approval from the Gaylord College Financial Director. Begin discussing new appointments with the Gaylord College Financial Director at least 4-6 weeks in advance.

Typical short-term appointments at Gaylord College include:

Student Employees – most new student positions must be listed with the Employment & Compensation before a candidate can be hired. Contact the Financial Director to post a new job listing. New employees that are not currently appointed at the University must complete a new employee packet at Payroll & Employee Services before they can begin working.

Temporary Employees – Temporary employee appointments (more than 30 days/less than 6 months) require an approved Freeze Form. These can be listed on the OU job board but are not required to be.

Adjuncts & Graduate Assistants– new hire paperwork is required to be completed before work begins. These appointments do not require a freeze form or job listing

INDEPENDENT CONTRACTORS/GUEST SPEAKERS/HONORARIUMS

The IRS has focused on this issue and given high priority to the classification of employment relationships. The penalties for misclassification can result in the University being held responsible for under-payment of taxes including federal and state income tax, social security and Medicare taxes, and federal unemployment taxes. Whether inadvertent or intentional, misclassification of workers as independent contractors may result in charges to the department for the taxes, penalties, and interest.

Complete rules for independent contractors can be reviewed on the HR website: <http://hr.ou.edu/independentcontractor.asp> The Independent Contractor form must be completed & approved at Human Resources **before** work can begin. Please allow 2-3 weeks for processing. If the individual is not approved as an Independent Contractor, the process to hire them as an employee can add another 2-4 weeks to complete.

Non-University speakers or other guests to be paid for services must have an approved Independent Contractor form before any services begin. Discuss upcoming speakers with the Gaylord College Financial Director as soon as you know they will be coming. The process for approval can take 2-3 weeks to complete.

Travel expenses for independent contractors should be included on the invoice. Unless receipts are provided for travel costs, this will be considered income to the individual.

Full-time university employees to be paid for guest speaking engagements are not Independent Contractors and must submit a Permission **for Extra-Compensation Within the University** form through their designated area before any services are performed. This form can be located on the Provost website.

FOOD &/OR BEVERAGES

The full University policy for food & beverage can be viewed here: <http://www.ou.edu/controller/fss/policies/food.pdf>

Meal and beverage expenses must be for a University related function/business. A complete explanation of the purpose must be documented with the expenditure. Every effort should be made to keep the meal expenses below the allowable amounts listed below.

Allowable amounts per meal and/or reception:

Breakfast	\$15 per person
Lunch	\$25 per person
Dinner	\$50 per person
Reception	\$8 per person

The number of people in attendance must be provided with paid, itemized receipts. For events with 16 or less people, a list of names & their OU affiliation (faculty, staff, student, or guest) must also be included. Provide the company name (when applicable) & purpose of University business for all guests. For grants, a list of names must be provided regardless of the #.

GIFTS & PRIZES

The full University policy for gifts can be viewed here: <http://www.ou.edu/controller/fss/policies/food.pdf>

Gifts of University property or services are prohibited except as noted in the University policy. With very limited exception, the University, as a state agency, is prohibited from providing gifts to any individual or entity. ***Always check with the Gaylord College financial staff before a gift is purchased.***

IMPORTANT NOTE: The general rule is 'no gifts' but there are some possible exceptions: retirement commemorative memento for no more than \$100, promotional items for business development which must include OU items (t-shirts, etc) & student recognition memento for established student program. Gifts cannot be given to employees except for retirement.

GIFT CARDS

The full University policy for gift cards can be viewed here: <http://www.ou.edu/controller/fss/policies/Gift%20Card%20Policy%2020130101.pdf>

Gift cards are only allowable for grant participant incentives or to cover expenses. "Grants" pertains only to university departments that are (1x5xxxxxx). The grant application should clearly state the purpose of funds & gift card purchases. If uncertain about grant eligibility, contact the Gaylord College financial department.

IMPORTANT NOTE: DO NOT purchase gift cards for services of an employee, prize, award, survey or other research incentive (see Cash Awards, Prizes, & Incentives below)

CASH AWARDS, PRIZES, & INCENTIVES

Payment of awards, prizes & participation incentives for OU employees (staff, faculty or students) must be paid through the Payroll system and reported on the employee's W-2 as taxable income.

Payment of awards, prizes & participation incentives for non-OU employees must be paid through the Financial Services CrimsonCorner procurement system and may be reported as taxable income to the individual.

Requests for cash payments should be made on the ***Gaylord College Award Request Form***. Please discuss these with the Gaylord College financial staff before any commitment or offer is made.

Last revised: 06/09/2014

PAYMENTS TO THIRD PARTIES

The University vendor payment policy can be viewed here: <http://www.ou.edu/controller/fss/procedures/third.html>

No request for payment of an invoice should be made until the goods or services have been rendered. Invoices must be paid within 30 days of receipt. Submit third party invoices to the Gaylord College financial department within 5 working days of receipt.

- **Purchases <= \$5,000** can generally be made by the department. Some exceptions to this rule exist so double check with the Gaylord College financial staff before committing to a purchase.
- **Purchases > \$5,000 but <= \$50,000** require further approval by the Purchasing department. The purchase can be a Sole Source (see http://www.ou.edu/purchasing/pdf/forms/sole_source_procedures_sept%206_2007.pdf), the purchaser can provide 3 competitive bids, or the item(s) list can be sent to Purchasing for a formal bid process.
- **Purchases > \$50,000** must be sent to Purchasing for a formal bid process.
- **Purchases > \$250,000** must be approved by the Board of Regents prior to award.

UNIVERSITY PCARDS

The University Pcard policy can be viewed here: http://www.ou.edu/purchasing/pcard/pcard/pcard_policy.html

A University PCard can sometimes be used for payment to companies that will not accept a Purchase Order or payment of services/goods after receipt. The PCard shall be used to pay for small dollar purchases (<=\$5,000) to the maximum extent possible. You may not split orders to stay below the limit and avoid generating a purchase requisition.

Eligibility of payment for a purchase by a University Pcard should be discussed with a Gaylord College Pcard holder. The cardholder is responsible for payments and is the only authorized user. Contact the financial director for a cardholder name if unknown.

120 DAY REIMBURSEMENT RULE

To ensure compliance with IRS accountable plan rules in regards to employee reimbursements for expenses incurred while conducting University business, requests for reimbursements must be submitted to the Gaylord College financial office **within 90 days** of the purchase or travel end date. The payment must be received at the Financial Services department within 120 days, but the college financial staff needs up to 30 days to process some requests.

Reimbursement requests submitted after 120 days may be accepted for processing but the reimbursement will generally be treated as taxable income to the individual receiving payment and be added to the W-2 at the end of the calendar year.

SALES TAX EXEMPTION

The University of Oklahoma is exempt from payment of state/local sales tax. It is the purchaser's responsibility to ensure that the exemption is requested from the vendor when payment will be made by the University or a PCard holder. If an individual is paying for the purchase and seeking reimbursement, they must pay the taxes. Taxes will be reimbursed in this case. Sales Tax Exemption letters for applicable states can be located here: <http://www.ou.edu/purchasing/forms/index.html>

FEDERAL TAX IDENTIFICATION NUMBER

The Employer Identification Number (EIN) for the University of Oklahoma is 73-6017987. The EIN for the OU Foundation is 73-6091755. Please contact the Gaylord College financial staff if you need a W-9 for either entity or if you are uncertain which EIN to provide a requesting organization.

CONTRACTUAL DOCUMENTS

The authority for any individual to sign contractual documents on behalf of the University originates with The Board of Regents. The Board of Regents grants to the President the power to delegate such signature authority to appropriate University executives, officers and directors. At this time, no one at Gaylord College has signature authority on behalf of the University including the deans

IMPORTANT NOTE: No individual may sign any document that obligates the University in any way, unless specifically authorized to do so by the President. Such documents include, but are not limited to; purchase orders, grants, contracts, sub-contracts, licenses, leases, funding documents, applications, extensions and renewals, letters and/or memoranda of understanding, sales orders, assurances, work orders, and the like. This can also include on-line agreements, advertising agreements & trade show booth rentals when the University will be paying for the expenditure.

Any document requiring University signature should be provided to and coordinated with the Gaylord College Financial Director. Appropriate action will be taken depending upon the nature of the document.

- Purchasing documents must be submitted through CrimsonCorner for review & signature by the University Purchasing Department.
- Grant applications may need review by the Office of Research Services before submission.
- Contractual documents for other income need to be reviewed by Legal Counsel and then signed by the Provost Office

RETENTION OF UNIVERSITY PROPERTY

Most items purchased with university funds must be retained by the University. Property and equipment that is no longer needed must be transferred to another state agency such as Property Control (aka "surplus"). Exclusions to this rule can include the following:

- There is a University policy (i.e. Food, Beverage and Gifts) that grants an exception.
- A grant/sponsored program agreement states that something purchased with grant funds can be retained by someone other than the University.
- The property was purchased with OU Foundation funds.

MEMBERSHIPS

State regulations allow for the payment of institutional memberships dues. Individual membership dues can be processed if the membership is transferable. Most organizations will not allow the membership to be transferable. Financial Services & the OU Foundation have agreed to make an exception for personal memberships (up to the Gaylord College allowable amount) to be processed through the OU Foundation payment system. For eligible memberships, payment can be made directly to the organization or the employee can be reimbursed with proof of payment.

POSTAGE

State statutes do not allow for the reimbursement of postage stamps. All US Postal mail should be sent through the department channels. Contact the Dean's Suite Staff Assistant if further information is necessary.

PUBLICATION & ADVERTISING

Requests for payment of publication and advertising invoices may require a copy of the written approval from Public Affairs (if applicable). The University Publication Policy can be reviewed on the Public Affairs website here:

<http://www.ou.edu/content/publicaffairs/mediacenter.html>

GRANTS AND OTHER EXTERNAL FUNDING

Grant and other external funding proposals may need to be coordinated through the Office of Research Services. Please notify the Gaylord College financial director of any upcoming proposals. Guidelines and other information for proposals can be viewed at the website here: <http://ors.ou.edu/proposal/resources.html>

A list of Proposal Development Specialists and their contact information can be viewed here:

http://ors.ou.edu/contact/ors_staff_ps.html