

# ADDITIONAL FY 20 PROCUREMENT GUIDELINES

April 30, 2020 – REV 2002-05-22 by LCPutnam

## **GENERAL:**

All purchases must pass the “essential” or “mission-critical” test in addition to falling into the criteria outlined in the [original April 10, 2020 memo provided by A&F](#). Please use your judgement and keep your purchases as minimal as possible. Be aware that all expenditures will be carefully reviewed and possibly audited at a later date.

- In addition to externally funded agreements, the following funding sources are considered contractual obligations or mission critical instruction or research activities:
  - Healey Grants, Public Service, Start-up funds, or RTF internal projects;
  - Dissertation or undergraduate research projects;
  - Periodic Mid-Year Review (PMYR) funds;
  - Donor designated funds; and
  - Dean’s Research Fund awards funded by non-GOF funds.
- Charging expenses to these funding sources and moving them to another funding source at a later date will NOT be allowed.
- If at all possible, we ask that you hold expenditures until the next fiscal year.

## **REIMBURSEMENT POLICY CLARIFICATIONS.**

NO reimbursements will be made to anyone for any expenses incurred after April 10, 2020 for purchases that should be processed through BuyWays or the ProCard. Reimbursement for contractual agreements like the Faculty Staff Union Travel (FSU) or Research and Education Support (RES) funds will continue to be processed as a reimbursement in the expense module.

- After April 10, 2020, any purchases MUST be done primarily through BuyWays or secondarily with the ProCard in accordance with university policy (BuyWays first option, and ProCard second option).
- If you are unable to procure goods through either of these procurement tools, please contact Tom Miller via [Assistant Dean for Finance Kim Ho](#) to discuss options.

## **RULES FOR SHIPPING TO NON-CAMPUS LOCATION.**

During the period of remote operations, the university has approved deliveries to non-campus locations based on **essential and/or mission critical needs**. Please follow the guidance below.

- For BuyWays purchases that need to be delivered to offsite locations, follow the [guidance provided by Eddie Sze found here](#).
- For Procard purchases that are delivered to offsite locations, be sure to include with the monthly PAL approval the explanation of why the purchase was considered essential/mission critical.

## **ADDITIONAL PROCUREMENT GUIDANCE.**

- BuyWays remains the primary procurement tool for the purchase of goods and services.
  - There is now a requirement for Department Chair approval for a purchase of any amount. Please attach the Department Chair approval to your BuyWays request, and include the essential rationale in a comment on the requisition or in the note field for each item if possible.

- All transactions are reviewed by A&F. If a transaction is over \$500, it goes through an additional layer of review/approval by A&F and the Provost's Office, and may require additional discussion with the Dean and/or Department Chair.
- The Procard should **ONLY BE USED** for items that are not available to be purchased through BuyWays.
  - As with BuyWays, a determination must be made that the item(s) to be purchased is essential / mission-critical.
  - Be sure to re-allocate the expense when the charges show up in the Financial Production a couple of days after your purchase.
  - Complete the PAL, with appropriate essential/mission-critical and/or shipping location justification added, at the end of each statement period and BE SURE to get your chair to sign your PAL for each month in which you make charges.
  - For items \$500 or more:
    - You will need to request an increase to your ProCard Limit. You may request this increase through UPST by completing the [ProCard Increase Form on the UPST website](#) with all the information requested including exactly what is being ordered, and it's cost. Use the information from the Department Chair's approval to explain first why your credit limit needs to be raised ("to purchase items from Amazon," for example). THEN continue to explain what is being purchased.
    - Submit form with attachments to UPST to initiate the process of approval. Once UPST provides the information to the Controller, the Controller will approve or deny the request. Appeals to any denials of spending limit increases must be made through the Provost's Office.
  - Once you have the approval from the Controller for the limit increase and the limit has been raised on your ProCard, THEN, and only then, make the purchase.
  - You MUST include the approval email from the Controller with receipts/PAL.

#### **GENERAL STUDENT PAYMENTS.**

Students should not procure goods or services on behalf of the University. Reimbursements to students for costs associated with 'university business' will NOT be allowed (this does not include Dissertation or Undergraduate Research Grants as they are considered educational support noted below).

- Payments to student for work/exchange type activities should be directed to the Student Employment Office.
- Payments to students for educational support including course related reimbursements, are processed by the Controller's Office and paid to the student through their bursar account (WISER). Funds will be applied to outstanding balances before issuing a check to the student.
  - You must use a [special Student DV form found here](#). For "Reason For Request" please include the type of award (i.e. travel award, dissertation award, undergrad res award), and the semester for which the payment is for. Please note the educational or course related requirement that necessitated the student making the purchase, and therefore requiring subsequent expense reimbursement.

- Provide supporting documentation including a memo from department chair explaining why this payment should be allowed and include the student name and details.
- Once the form and documentation memo are complete, email them BOTH to [Controllers.Office@umb.edu](mailto:Controllers.Office@umb.edu) with "DV-S" and the student's name in the subject.
- **This funding may impact the student's financial aid package.**

#### **NOTE REGARDING STUDENT GRADUATION PRIZES (CASH AND/OR BOOK).**

All prizes or payments made to an individual are taxable to the individual. The University is required, by the Internal Revenue Service (IRS), to report prizes with a cumulative value in excess of \$599.00 in a calendar year. Cash prizes are tracked by the university's accounts payable system but book prizes are not. Therefore, in order to ensure the university appropriately complies with the IRS requirement, colleges and/or departments must track and report the value of each book prize. The following process must be followed for book prizes:

- Maintain a list of students that receive book prizes. The list must contain the student's name, UMB ID number, and the value of the book prize.
- Provide this list to the Provost's Office (Tom Miller) by August 31 of each year such that an Academic Affairs-wide list can be compiled and provided to the Controller's Office by the end of the first quarter of the fiscal year (September 30).
- This list will be reviewed, verified, and provided to UPST. The value of the book prizes will be added to the accounts payable system where 1099's will be issued for cash and prizes with a cumulative value in excess of \$599.

**You are encouraged to consider offering cash prizes in lieu of book prizes as the tracking system is already set up to automatically capture and add-up total value to make a 1099 determination.**

#### **STUDENT GRADUATION CASH PRIZE.**

In order to be appropriately treat the payment as a 'graduation prize' and not impact a student's financial aid package, the prize must be paid after the student has graduated from the university (i.e. is no longer considered a student). The following steps must be taken:

- Graduation cash prizes to graduating seniors are paid through UPST and only after their degree is conferred, and their WISER account is paid in full.
  - For prizes awarded during graduation events, they should be given in the form of a Certificate, not a check.
  - With the delivery of the certificate, please provide the student a W9 and Vendor Add form to be completed so they can be added to the vendor system and receive payment.
    - Please make sure to note of the form that **this should be added as a new supplier (vendor) code**, and not new student vendor code.
  - Once the forms are received, the department should expedite emailing the forms to the Vendor team, [vendors@admin.umass.edu](mailto:vendors@admin.umass.edu), so not to delay payment.
  - After graduation, the department is responsible for contacting the Registrar and Bursar (email to [Tiffany Lam](mailto:Tiffany.Lam@umass.edu) or [Keti Kondili](mailto:Keti.Kondili@umass.edu)) to confirm the student's degree has been conferred, there are no outstanding balances owed to the university, and initiating payment once done.
  - Use the BuyWays Direct Payment Form for payment.
    - For "Reason for Request", enter "Graduation Prize."

- Attach a copy of the student's award letter, the email from the Registrar's Office indicating the degree has been conferred, and the email from the Bursar's Office indicating the WISER account is paid in full.
- **Use the account code 778050-prize**
- Ensure appropriate funding signatories have signed the request.
- A prize given to a 'non' graduating (continuing) senior is to be processed through the Controller's Office and paid to the student through their bursar account (WISER). **This prize will be considered as part of the student's financial aid package.**

#### **STUDENT GRADUATION BOOK PRIZE.**

- The ProCard may be used to procure Graduation Book Prizes only if the book is not available through BuyWays. If a ProCard is used, it is required that the college reallocate/journal the expense over to the appropriate funding source and use the **account code (778050-prize)**.
- For book prizes given to non-graduating (continuing) seniors, the college/department should inform Financial Aid of the award and monetary value of the book. They may record a note on the student's record.

#### **BOOK PRIZES TO FACULTY.**

- Per the campus business expense policy: Departments are delegated the authority to recognize an employee in regards to outstanding work-related accomplishments at a cost of up to \$100/award (such as with a plaque or book).
- Gift cards are NOT allowed.
- Cash payments must be discussed with, and approved by, Human Resources.

Please read this document carefully, and, help us clarify anything that we have not explained fully. If you wish to suggest changes, please contact us with any questions, comments, corrections, or concerns.