

Nebraska Wesleyan University

Policies and Procedures for purchasing, payments, travel and entertainment

6/12/2007

Table of Contents

Policy Statement	1
Vendor Administration	3
<i>Vendor Selection</i>	
<i>Vendor Entry or Change</i>	
Procurement, travel and entertainment	4
<i>Buyer's Responsibilities</i>	
<i>Competitive Bidding</i>	
<i>Related-Party Transactions</i>	
<i>Capital Appropriations</i>	
<i>General Purchases</i>	
<i>Contractual Agreements</i>	
Exclusive Agreement Held by the University	
<i>Travel, Entertainment and Meal Expenditures</i>	
<i>Gifts, Gift Certificates, Prizes and Awards</i>	
<i>Individual Faculty Development Funds</i>	
<i>Tax exemption</i>	
Payment methods	13
<i>Business purpose and proper documentation</i>	
<i>Purchasing Card</i>	
<i>Request for Payment</i>	
<i>Cash Advances</i>	
<i>Employee Reimbursement</i>	
Appendix "A"	20

Policy Statement

Foreword

These policies and procedures are intended to assist the faculty and staff in understanding the responsibilities of the University in acquiring the goods and services and business related travel and entertainment expenses necessary for the operation of the University, including CLAS, University College.

The primary purpose of these procedures is to promote procurement of all goods and services on the best terms and at the lowest overall cost consistent with an appropriate level of quality and to provide consistent guidelines for reimbursement of business related travel and entertainment. A uniform approach and effective contact with suppliers will work toward ensuring that all departments obtain their required goods and services in the specified form, quality, quantity and time-frame required, and delivered at the most advantageous price and that institutional and legal guidelines are understood.

These policies and procedures apply uniformly to all funds administered by the University, whether they are departmental budget funds, restricted funds, capital funds, or agency funds.

Since these Policies and Procedures serve the interests of the departments as well as policy requirements of the University, we ask the faculty and staff to give their full support and cooperation. We recognize that emergency or unusual situations will occur. In such instances, departments should discuss the particulars with the Business Office so whatever assistance is needed may be obtained.

General

These procedures govern the business relationships and procurement transactions of the University with suppliers offering goods and services to the University for purchase, lease or rent and to ensure compliance with appropriate IRS regulations regarding travel and entertainment in order to increase University-wide cost effectiveness through controlled uniformity in procurement policy and procedures.

Policy Statement

The University and its employees will procure all goods and services on the best terms and at the lowest overall cost consistent with an appropriate level of quality. Acquisition will be without favoritism and on a competitive basis, whenever practical, to obtain maximum value for each dollar expended. All interested suppliers will receive fair and impartial consideration.

Those responsible for procurement shall conduct a continuing and reasonable search of the market for new sources of supply.

Any form of discrimination or reciprocity is prohibited in the awarding of business.

Vendor Administration

A vendor is an individual, proprietorship, partnership, corporation, association or other business organization that offers or furnishes goods or services to the University. Included are agents or representatives of a supplier and any organization owning a controlling interest therein. The term "vendor" as used in this manual includes contractor, lessor, and vendor.

Vendor Qualification and Relationship:

To ensure procuring goods and services at the lowest overall cost it is necessary to give fair and impartial consideration to all vendors. In order to qualify vendors, it is also necessary to—

- search out and identify potential vendors who have the ability and facilities to provide the goods or services the University needs and
- establish and maintain supplier business relationships on the highest level of professional conduct.

Establishing and maintaining good supplier relationships enables buyers to take advantage of opportunities such as information on new products, cost reductions, and cooperation in meeting critical lead time.

Relationships with suppliers should never affect objectivity and independence of judgment in the awarding of business or affect conduct in the performance of procurement responsibilities.

As a safeguard against any misunderstanding, purchasing employees should—

- **be aware of the University's policies for awarding business and business relationships and ethics and communicate those to vendors as appropriate.**
- prohibit vendors from offering individuals on its faculty and staff any kinds of incentives, gifts, or gratuities in exchange for conducting business,
- document the receipt and return of sample/trial products or gifts, other than those of de minimis value (generally less than \$25).
- have no personal or family interest, involvement or financial relationship with a vendor which might impair objectivity or freedom of judgment. Purchasing employees should not have any direct or indirect incentives or rewards, financial or otherwise, for conducting business with a vendor.
- not make personal "buys" for themselves or other employees along with University procurements,
- not request a proposal or a quotation from a supplier when there is no intent to award business to that supplier.

Vendor Entry:

The Business Office is responsible for maintaining and updating the vendor database. Approval to enter a new vendor into the database is implied when the blue Request for Payment form has been properly executed and has the appropriate approvals/signatures.

The following information is required to enter a new vendor:

- Full name and address of person or business.
- The social security number (SSN) or federal tax ID number (TIN)
- Telephone number

In addition, certain vendors will be required to complete a form W-9 and/or form W-4NA prior to entering the new vendor. Payments to a vendor cannot be made until a vendor has been entered into the database.

The tax reporting requirements placed on us by the Internal Revenue Service and the Nebraska Department of Revenue are very complex and all the requirements cannot possibly be listed in this policy. Please call the Business Office with questions on what will be required for a new vendor. If a vendor requires payment by a certain date, please plan accordingly as payment cannot be made until these forms are completed and may cause a delay in processing.

W-9

In general, payments made to a vendor for a service or a payment to a person (such as a gift, prize or award) will be required to complete a form W-9. Other payments to vendors may be required to complete a W-9 depending on the circumstances.

W-4NA

In general, payments made to nonresident individuals for services performed substantially in Nebraska may be required to have Nebraska income tax withheld. No “gross-up” of the payment will be allowed to cover the Nebraska income tax. The payment will be for the contracted amount less any required taxes.

Procurement is an acquisition of goods or services by purchase, lease or rent. Employees participate in the procurement process in the following ways:

- Through direct involvement on behalf of the University (e.g., by determining required goods or services, initiating the order, authorizing payment, requesting quotations, negotiating terms, obtaining legal counsel, awarding the business, and following up on the order).
- Through indirect involvement in directing, authorizing, or approving the action of another who is directly involved in a transaction for the University.

Procurement, Travel and Entertainment

Buyer's Responsibilities

The responsibilities set forth in this manual are university-wide in scope, reaching each level, organization and department.

The ultimate responsibility for the procurement of all goods and services for the University is vested in the Vice President for Finance and Administration. Accordingly, his/her organization shall define the structure of the procurement process and the degree of centralization and control.

The success of the University's purchasing is dependent on the level of expertise exercised in the buying function. Maximum cost-effectiveness is realized through fully trained and currently knowledgeable buyers. **(The term *buyer* is meant to include anyone who makes financial commitments on behalf of the University)**

The buyer's role includes providing liaison between the user and the supplier during performance of the transaction. Because the buyer legally binds the University, legal counsel shall be secured at any step in the procurement process where assistance may be necessary. Business must always be conducted in an ethical, competent manner while keeping the interests of the University paramount.

Inherent in the buyer's role are the specific responsibilities to do the following:

- Continuously search out newly designed, improved, or less costly goods and services
- Receive, evaluate, and acknowledge inquiries from suppliers
- Develop multiple sources of supply, including minority and women suppliers, for each type of goods and services that the University requires
- Verify that requisitions are complete and properly authorized
- Determine if procurement can be made under an existing contract
- Ensure that procurement agreements are complete and accurate, include correct terms and conditions, and are properly authorized and executed
- Follow up and expedite transactions as needed to ensure satisfactory service and delivery
- Resolve overage/shortage claims and discrepancies
- Include on the request for payment notation if money is spent for lobbying activities so that any amounts spent for lobbying can be properly reported

Competitive Purchasing Procedures

The competitive quotation procedure will be utilized to invite suppliers to offer their price quotation for specific goods or services. The primary objective of this procedure is to obtain goods or services at the lowest overall cost commensurate with quality and service and to ensure fair and impartial consideration to all suppliers. The University benefits when suppliers realize they are contending for the award of business and must be competitive in cost and service.

The requirement for competitive quotations depends upon the total cost of goods or services to be procured during the term of the agreement; such cost may be incurred either at one time or over a period of time, as in the case of a lease or rental agreement. The total cost of a transaction should not be fragmented to circumvent the requirement for competitive quotations.

The Business Office recommends to the faculty and staff to use the following guidelines **prior to** committing University funds to assist in the competitive bidding procurement procedures:

If the total cost of goods or services to be procured is...

- **Less than \$500:** Competitive quotations are optional for transactions estimated to cost less than \$500. Often a convenient source will be used.
- **\$500–\$4,999:** Faculty and staff are encouraged to receive competitive quotations for transactions estimated to cost more than \$500 but not to exceed \$4,999. In this range quotations may be obtained in writing, orally, or from published catalogs. Oral confirmation of catalog prices may be desirable if they are subject to change without notice.
- **\$5,000 and more:** Competitive written quotations may be required for transactions estimated to cost \$5,000 or more. The Capital Appropriation Form will assist faculty and staff in determining if this step is needed. (See **Capital Appropriations** for further details.)

Exceptions to Competitive Procurement Procedures:

The following types of purchases may be exempt from the competitive procurement process to the extent noted:

- Purchases of utilities, such as water, sewage, etc., where competitive sources are not available.
- Procurement can be made under an existing agreement,
- The price and terms are known to be substantially identical among all suppliers,
- The available supply is limited and procurement must be made immediately or an opportunity will be lost,
- Purchases involving the acquisition of personal or professional services,
- Purchases of proprietary maintenance contracts, i.e., where alternate “authorized” sources are not available,
- Purchases of maintenance contracts where use of alternate sources is inconsistent with the best interests of the University,
- Purchases involving minor repairs,
- Purchases involving major repairs, where bidding requirements are waived by the Vice President of Finance and Administration due to urgency of repair,
- Purchases of insurance requirements,

Contact the Business Office for assistance in the competitive procurement procedures.

Capital Appropriations Policy:

This policy has been developed to provide guidance on the process of capital appropriations, to assist the Administration in preparing the capital budget, to facilitate informed investment decisions, and to promote the effective management of existing capital assets.

1. What purchases are covered under this policy?

1.1 Capital appropriations are defined as purchases of assets exceeding \$5,000 in value that have a useful life greater than one year. This includes but is not limited to the following:

- purchases of land, land improvements, buildings, building improvements, furniture, equipment, software, library books, musical instruments
- computers and computer equipment with a cost greater than \$1,000
- smaller related purchases with an aggregate total greater than \$5,000 (i.e., building renovation)
- capital projects in progress
- leases and leasehold improvements
- repairs, maintenance, and improvements of existing assets
- any asset that meets the above requirements regardless of its funding source

1.2 This policy does not cover maintenance agreements or service contracts.

2. Process for Requesting Approval for Capital Appropriations for all funding sources

- 2.1 No purchase of capital assets should be made without proper authorization.
- 2.2 Requests should be approved prior to committing funds.
- 2.3 Proper authorization is obtained by completing a Capital Appropriation Request form.
- 2.4 To facilitate processing of the form, all lines must be completed and answered fully.
- 2.5 The request must be approved by the Vice President of the requesting individual, the Vice President of Finance, and if the request exceeds \$25,000, the President.
- 2.6 The request must be approved by the Finance Committee if the request exceeds \$250,000.
- 2.7 If the request is for a computer or computer equipment, the request must also be approved by the Director of Information Services.

3. Project is Approved or Denied

- 3.1 If the project is approved, the signed request will be returned to the individual that submitted the request. In some cases, additional information will be

required before the project can proceed and will be noted on the Capital Appropriations Request form.

- 3.2 Some projects will require bids from multiple vendors to ensure we are receiving competitive pricing. It is our policy that the lowest bid will be accepted; however, there may be circumstances where factors other than price may affect the decision. In these cases, a justification will need to be written and submitted for approval prior to committing the funds.
- 3.3 The project leader must contact the Business Office to get the accounts set up in the general ledger and to assign a Capital Appropriations project number prior to committing the funds.
- 3.4 If the project is not approved, the request form will be returned to the individual that submitted the request with an explanation.

4. Overruns or Under Budget

- 4.1 If the purchase order will exceed the approved cost by greater than 10%, the Capital Appropriations Request form must be resubmitted prior to committing funds.
- 4.2 If a project comes in under budget, the excess must be returned to its funding source.
- 4.3 Spending is approved for the defined project only.

5. Payment Process

- 5.1 When invoices are received in the Business Office, they will be routed to the project leader for approval to be paid.
- 5.2 The approval must include the general ledger number(s) to be charged, the capital appropriations project number assigned, and the signature of the project leader.
- 5.3 If the invoice includes multiple projects, the costs need to be allocated by project in addition to providing the information as stated in 5.2.

6. Disposal of Assets

- 6.1 Assets cannot be disposed of without prior approval from the Vice President for Finance and Administration. A disposal form should be completed for all disposals.
- 6.2 Proceeds from disposing of assets will go to the general fund or other funds as appropriate.

General Purchases

This section is to assist and inform faculty and staff in procuring goods or services on behalf of the University. The following provides either a list of recommended vendors for certain goods or services and departments designated by the University to procure certain goods or services.

See the Capital Appropriations section if the total cost of the goods or services exceed \$5,000.

- **Computer Hardware and Software** - contact Information Services prior to committing funds for computer hardware or software. Computer hardware includes, but is not limited to, monitors, hard drives, printers, projectors, processors and peripherals
- **Contractual Agreements** - see Contractual Agreements section.
- **Copier Equipment** - contact the Business Office prior to committing funds towards a copier. The Business Office will assist the buyer in determining whether to lease or purchase. The University has an exclusive purchasing agreement with Konica-Minolta Business Solutions for the acquisition of copiers, so all inquiries for purchases should be coordinated through the Controller.
- **Facilities Management and Services** - the Maintenance Department is responsible for facilities management and services. Contact the Maintenance Department prior to committing University funds.
- **Food Catering Services** - the University is in agreement with Sodexo for Food Catering Services. The University grants Sodexo the exclusive right to manage and operate the Food Service and to provide catering service at the campus.

The University's funds will not reimburse or pay for food catering services on campus provided by a vendor other than Sodexo without prior approval from the manager of Sodexo.

- **Marketing and Communications** - the Marketing and Communications office is responsible for all marketing goods and services provided for the University. Contact the office prior to committing University funds that relate to this division.
- **Office Supplies** - the University recommends faculty and staff to purchase office supplies from the following vendors. These vendors offer online access for convenient price and product comparisons, next day shipping and free freight.
 - Office Depot – offers educational discounts
 - Corporate Express
 - Eakes Office Plus
 - Staples

The Copy Center provides a limited selection of office supplies to the University.

Contractual Agreements

The by-laws of the University state that contracts, leases and similar documents for the procurement of supplies, equipment, and services may be signed only by specified officers of the corporation and certain designated individuals.

Individual faculty members and employees are not authorized to sign on behalf of the University, or to bind the University in any manner. Nebraska Law provides that individuals who are not authorized, and who enter into an unauthorized agreement, may be held personally liable for the cost of the goods or services purchased.

Any and all vendor forms of agreement such as contracts, leases, software license agreements, marketing agreements etc., should be sent to the Business Office for review and signature.

Exclusive Agreements held by the University:

Food Catering Agreement:

The University is in agreement with Sodexo for Food Catering Services. The University grants Sodexo the exclusive right to manage and operate the Food Service and to provide catering service at the campus.

The University's funds will not reimburse or pay for food catering services on campus provided by a vendor other than Sodexo without prior approval from the manager of Sodexo.

Pepsi Agreement

Pepsi has the exclusive right for all vending products on the University's campus

Konica-Minolta Business Solutions copier agreement

Konica-Minolta Business Solutions has the exclusive right to provide copier equipment and service to the University

Travel, Entertainment, and Meal Expenditures

The Business Office is responsible for ensuring that all University business travel and entertainment expenses are reimbursed in accordance with all applicable University policies and procedures and that all faculty, staff, and students adhere to the same. Toward that end, the traveler is responsible for understanding this policy before committing University funds. The employee must complete and submit appropriate forms in a timely and accurate fashion, accompanied by sufficient documentary evidence to demonstrate that the expense was incurred, reasonable, and business related.

Documentation

You are responsible for providing sufficient documentary evidence to support the business purpose and to substantiate all expenses by completing the green Travel Reimbursement form. Documentation should be in the form of original bills or receipts, and must include the name of the vendor, location, date, dollar amount of the expense, and a description of goods or services received. **Original receipts** are always required—photocopies of receipts will NOT be accepted. If the University credit card was used, the detailed receipt AND the signature receipt are both required to be submitted.

Lost or Destroyed Receipts

A Missing Receipt Affidavit form must be completed and signed by both the employee requesting reimbursement and the direct supervisor or Vice President for each missing receipt and submitted with the Travel Reimbursement form.

Approvals

Approval by your supervisor or Vice President should be obtained prior to committing funds. All such expenses incurred on behalf of the University are to be certified as to completeness and accuracy by the employee and are to be approved by the direct supervisor and the Vice President if required by that department. The certification and approvals are included on the green Travel Reimbursement form. No individual may authorize and approve his or her own travel expenses. Without such certification and approval, as well as inclusion of all required information, justification, and receipts, reimbursement of such expenses will not be approved. Reimbursements should be submitted within 30 days following travel or entertainment/meal expenditure and must be submitted during the fiscal year or before the cut-off date for recording expenses to the past fiscal year.

Transportation

The traveler should select a mode of transportation that is cost-effective and efficient. If, for other than a university business purpose, the traveler does not take the most economical method of transportation, the traveler will be reimbursed at the lowest cost to the university.

- Air Travel – When traveling by commercial airline, accommodations are to be for round trip tourist, coach, or economy class. Cost of upgrades will be at the traveler's personal expense.
- Personal Auto – The University will provide reimbursement for business usage of personal vehicles based on the Internal Revenue Code's allowable reimbursement rate for business miles (which includes gasoline, oil, repairs, and insurance costs of operating a vehicle). Business miles are based on the most direct route. The IRS mileage rate used for moving to a new job is different from the business mileage rate. Please call the Business Office for the current rates. A traveler should review his or her personal vehicle insurance coverage prior to using the personal vehicle on a business trip, because the traveler's insurance is the primary insurance coverage.
- Auto Rentals – The cost of a car rental is an allowable reimbursement provided that such an expense is essential to the business trip. Collision and liability insurance is not to be purchased from the car rental agency and will not be reimbursed by the University to the traveler. The University's insurance policy covers the rental car driven by an employee traveling on behalf of Nebraska Wesleyan University.

- Taxi – Taxi fares are reimbursable when it is necessary to use such means of transportation. Original receipts are required and tips associated with taxi fares are reimbursable, but should generally not exceed 15% of the taxi fare.
- University owned vehicles – see Employer-Provided Vehicles Policy Including Tax Treatment and Reporting.

Lodging

The University will reimburse an individual for the cost of lodging based on an amount no greater than the single room rate. It is expected that the traveler will exercise prudent judgment in selecting a place to stay and will endeavor to obtain the lowest commercial rate available at the place of lodging. The itemized hotel bill must be submitted showing the daily posting by the hotel. Charges for personal laundry will not be reimbursed unless the trip is for more than 5 consecutive days. Movie rentals are not reimbursable. Personal calls for a reasonable amount of time each day for overnight travel are reimbursable.

Meals

Receipts are required for all meal and entertainment expenses. Original receipts must be submitted. If the University credit card was used, the detailed receipt AND the signature receipt are both required to be submitted. NOTE: According to the IRS, reimbursements made without the proper documentation must be reported as taxable income to the employee.

Employees will be reimbursed for actual expenditures for personal meals (breakfast, lunch, and dinner) while traveling on University-related business. Individuals should be conscious of cost, use good judgment, and avoid lavishness. The supervisor or department head approving the expense report should review these costs for reasonableness.

When dining or entertaining other individuals for business purposes, the IRS requires the following documentation:

- Date
 - Place
 - Nature of business conducted
 - Names of all present
 - Business affiliation of guests
 - Amount
- ⇒ Reasonable tips are permitted (generally not to exceed 15%) and each tip should be itemized when reporting expenses.
- ⇒ Alcohol purchases will not be reimbursed unless approved by a member from Administrative Council. Alcohol cannot be reimbursed with federal and state grant funds. The grant agreement should be consulted regarding applicability to private grants.
- ⇒ The IRS applies an “overnight” test to determine the treatment of meal costs as business expenses. The costs of meals on a one-day business trip locally or away from home are not reimbursable if the trip does not require an overnight stay. Consult the business office if the “occasional meal exception” may apply.

Other Expenses

All other reasonable and necessary expenses incurred while on business travel will be reimbursed including reasonable gratuities for baggage handling, parking fees, and tolls. Receipts for these expenses should be obtained and submitted when practical.

Non-Reimbursable Expenses

- Personal telephone calls in excess of reasonable calls home
- Finance charges on credit cards
- Personal entertainment
- In-room movies, mini-bar items, or excessive room service charges
- Snacks
- Magazines, books, newspapers, personal reading materials
- Parking ticket or traffic violations
- Rental car upgrades unless approved
- Personal expenses such as child care costs, kennel fees for pets, or other similar costs
- Travel expenses for the spouse/companion and/or families (unless required by the University).
- Meals for employees conducting general business. The University does not pay for the meals of employees that discuss business over lunch without Vice President or President approval..

Policy on Gifts, Gift Certificates, Prizes and Awards

The use of University funds for gifts, prizes and awards must withstand the test of scrutiny by the University's constituencies. Students, Governors, alumni, donors and granting organizations must be assured that funds are wisely spent for purposes related to the University's mission.

The Internal Revenue Service places strict reporting requirements on the University when persons (faculty, staff, students, independent service providers, or volunteers) are paid miscellaneous income. Cash, no matter how little, is never excludable from income and is subject to all income and FICA withholding taxes. In most cases, gift certificates are treated as cash. The IRS allows exclusion of certain gifts, prizes and awards as a "de minimis" benefit. The definition of a de minimis benefit is "any property or service that you provide to an employee and has so little value (taking into account how frequently you provide similar benefits to your employees) that accounting for it would be unreasonable or administratively impracticable." Which means nearly all gifts, prizes, and awards are taxable to the recipient unless it can be excluded. In the event of gifts to donors or potential donors, please consult the Case Standards. Also, it is important that you inform the recipients of the tax consequences of the gifts.

Gifts must be a professional token of appreciation or recognition and not a personal gift from one employee or student to another. The University will not pay for nor reimburse for personal gifts. All expenditures need to be approved by a supervisor, department chair,

and/or Vice President of that department depending on the department policies prior to committing University funds.

Your cooperation is requested in processing these items, which typically come to Accounts Payable's attention when an employee requests reimbursement for the gifts they have purchased. When requesting reimbursement, you **MUST** identify the recipient(s) of these gifts. You will also need to include their social security number, full address, and indicate the amount given as a gift to each individual (or the equivalent fair market value of each gift if property is given). We will be unable to process the request for reimbursement without this information. The same information must be provided for items purchased with the NWU Purchasing Card.

Cash and Gift Certificates

If the recipient is a University employee, the amount of any cash, prize or gift certificate **MUST** be included in the recipient's W-2 and is subject to all income and FICA withholding taxes. If the recipient is an independent service provider or volunteer, the gift information will be reported on form 1099-MISC. Company cash awards for outstanding work performance requires a Request for Payment form and it will be included in the next payroll. Appropriate taxes will be withheld. If the recipient is a University student, the gift information will be reported on either form W-2 or form 1099-MISC, depending on whether they are a current employee of NWU.

Gifts, Awards and Prizes of Tangible Personal Property

Gifts, prizes and awards of tangible personal property of \$25 or less are excluded from gross income. Gifts, prizes and awards of tangible personal property of greater than \$25 must be included in the recipient's W-2 and is subject to all income and FICA withholding taxes.

All honorariums or payments to employees for services provided to Nebraska Wesleyan University must be processed through the payroll system. The **ONLY** exception is if the employee can provide evidence of independent contractor status under Internal Revenue Service statutes. The Business Office determines independent contractor status. Employees should contact the Business Office before submitting payments to get a determination for method of payment. Most services provided by employees will **NOT** meet the independent contractor requirements.

Individual Faculty Development Funds:

Individual faculty development funds are used to develop, increase or diversify the performance of services as a faculty member to the University. Please refer to the "Faculty Development Committee Guidelines" distributed annually for details of this program.

The account of each eligible faculty member is credited annually. The account of returning faculty is accumulated at the beginning of each fiscal year (June 1) to the maximum allowed. The initial account for a new faculty member is credited at the beginning of the academic year (by September 1).

The amount available for each faculty member's use and the maximum accumulation will be set annually by the administration as part of the budget process. Approval from the Vice President of Academic Affairs is required if the faculty member is requesting reimbursement. A second signature is always necessary for employee reimbursements.

Use of funds include:

- Registration fee for a conference, a professional meeting, a workshop, etc.
- Travel expenditures that relate to the conference, professional meeting, workshop, etc.
- Business related mileage reimbursement
- Annual memberships or subscriptions to business related groups or periodicals
- Other expenses deemed appropriate by the Vice President of Academic Affairs.

Restrictions on use of funds include:

- The mileage reimbursement rate will be determined on a calendar year basis from the Internal Revenue Service. No more than one occupant of each car may claim reimbursement for mileage. Reimbursement is not allowed for private travel to and from one's residence to the University.
- Memberships and subscriptions that exceed one year.

Payments with Faculty Development Funds can be done with a University Credit Card, reimbursement to the employee (second signature required) or a Request for Payment Form. The business purpose of each expense transaction must clearly state the relation to the development of the faculty member.

Tax exemption:

Suppliers may require evidence of tax exempt status. Forms can be obtained from the Business Office. Suppliers may request one of the following identification numbers:

Federal tax ID: 47-0376524

State tax ID: 01-000364924

(Tax exemption cards are available to faculty and staff that is involved in the procurement process.)

Payment Methods

Business purpose and proper documentation

The business purpose statement is a description of how the business expenses incurred relate to the performance of services as an employee. In order to receive reimbursement, the business purpose must be fully documented.. The Business Office will return reimbursements that lack complete explanation for the business purpose.

Proper documentation includes original receipts and/or invoices (copy of a receipt/invoice is not acceptable). Restaurants will return an itemized receipt and usually a charge slip (submit both pieces for reimbursement). The University will not reimburse expenses without proper documentation.

Examples:

- Attended CMI management training course June 7-11 to assist in my transistion to a management position.
- Golf coach paid for food and lodging for team, during meet at Concordia April 27-28.
- Purchased food for departmental breakfast May 15 honoring graduates.
- Alumni office staff Joe Smith and Sally Johnson had lunch with potential donors Fred and Mary Olson.

Purchasing Credit Card

The purchasing card is the most convenient, efficient and effective means to pay the University's obligations. The Business Office recommends to the faculty and staff to use the purchasing card for purchases when possible.

The purchasing card can be used for items such as subscriptions, memberships, general and office supplies, meals, lodging, gas, auto service, travel arrangements, etc. Contact the Business Office if you have questions about the use of the card.

See the attached Policy and Procedures Manual (Appendix "A") for details on what is required to acquire and use a purchasing card.

Request for Payment

A Request for Payment (RFP) form provides faculty and staff the ability to pay for a product or service. The Business Office recommends faculty and staff use the form if the purchasing card is not an option.

Complete the RFP form in its entirety to avoid delays. The form will require the following:

- the date,
- the Payee's name and address,
- the aggregate amount to be paid,
- account name and number to expense the product or service,
- business explanation or purpose,
- check disbursement instructions,
- the person requesting payment,
- the approval signature for the specified account.

Each field is important for the University's record and internal control. Please contact the Business Office about the form.

Cash Advances

The cash advance option provides a convenient use of the University's money for traveling, student events, etc.

The cash advance is an agreement between the University and the sponsor group, athletic team or individual. The cash advance form states that the group or individual will return the unused cash along with proper receipts and documentation for the used cash within thirty days. It also states the consequences for not following the agreement.

The person requesting the cash must complete the Cash Advance form in its entirety. The Business Office needs at 3 business days to process the cash advance. The form has a line to indicate the person that will pick the cash up from the Business Office. The individual designated will have to sign a form that the cashier will have ready.

At the time of pick up, the cashier will hand a Travel Reimbursement form with the advance. This form must be completed and original invoices or receipts, and cash register receipts must be attached. This form must be delivered to the business office (**do not send through campus mail**) within the thirty day time frame with the unused cash. The accounts payable will reimburse the person(s) if the expenditures exceed the cash advance.

Employee Reimbursement

Purchases for business expenses should be paid for by either a university purchasing card or request for payment to the vendor. There are certain items, such as mileage reimbursement, parking fees, and other small items that are paid for with personal funds of the employee that will be reimbursed. Whenever possible, reimbursements of this type will be directly deposited into the employee's checking or savings account. Employees shall not personally pay for business related personal services from a vendor.

Appendix “A”

*CARDHOLDER POLICY AND
PROCEDURES*

Nebraska Wesleyan University

**Wells Fargo Bank
WellsOneSM Commercial Card
Program**

**Policy
and
Procedures Manual
March 2005**

Table of Contents

Introduction

General Guidelines

- *Card Issuance*
- *Account Maintenance*
- *Card Usage*
- *Preferred Vendors vs. Vendors Not Accepting Visa*
- *Limitations and Restrictions*
- *Lost or Stolen Cards*

Authorized Purchases

- *Unauthorized Purchases*
- *Travel and Entertainment*

Reconciliation and Payment

- *Receipt Retention/Record Log*
- *Reconciliation of Purchases*
- *Disputed or Fraudulent Charges*

Sales and Use Tax

Common Questions and Concerns

Appendices

- *Cardholder User Agreement*
- *Dispute Form*
- *Declaration of Forgery or Unauthorized Use*

Introduction

Welcome to the *WellsOne* Commercial Card Program!

The purpose of the *WellsOne* Commercial Card Program is to streamline and simplify the requisitioning, purchasing and payment process for transactions. The program is designed to shorten the approval process and reduce the paperwork of procurement procedures such as purchase orders, check requests and expense reimbursements. The goal of the program is to:

- Reduce the cost of processing purchases
- Receive faster delivery of required merchandise
- Simplify the payment process
- Provide cardholders with empowerment to choose!

This reference guide will provide you with the particulars of the program, including general guidelines, reconciliation and record keeping procedures, and customer service information. It is important to read the following information carefully, as you will be responsible for adhering to the company-established policy and procedures.

As with any new process, it is difficult to anticipate every question or issue that may arise. Any feedback you can provide will give us an opportunity to refine our policies and procedures.

If you have any additional questions, please contact your manager or your card program administrator:

Ben Dahl
465-2183

Connie Folkers
465-7513

Greg Maschman
465-2116

General Guidelines

Card Issuance:

As a cardholder, you will be asked to complete a cardholder user agreement, which has been or will need to be approved by your vice president. By signing the cardholder agreement, you have agreed to adhere to the guidelines established in this manual. Most importantly, you are the only person entitled to use the card and the card is not to be used for personal use. As each card is linked to a specific cost center and individual employee, the card cannot be transferred from one employee to another. In the case of a department card, the department head will be responsible for all charges to the card and will maintain control of the card and be responsible for all aspects of its use.

Upon receipt of your WellsOne Commercial Card, you will need to activate the account by calling the toll-free number printed on the card. For verification purposes, you will be asked to provide a piece of information, such as the last four digits of your Social Security Number. Although the card will be issued in your name, your personal credit history will not affect your ability to obtain a card. Nebraska Wesleyan University is responsible for payment of all purchases.

Account Maintenance:

If there's a need to change any information regarding your account, such as mailing address or expense accounting code, please contact your Program Administrator. The only account information you are able to change online is the email address and the automatic deposit (ACH) information.

Card Usage:

The WellsOne Commercial Card can be used at any merchant that accepts Visa, except as Nebraska Wesleyan University otherwise directs. It may be used for in-store purchases as well as online, phone, fax or mail orders. There is no special terminal or equipment needed by the Visa merchant to process a card transaction.

For online, phone, fax and mail orders, please instruct the merchant to send a detailed receipt. This receipt must be retained and submitted to the Business Office with your monthly statement after approvals are completed.

Vendors Not Accepting Visa:

Not all of your suppliers will accept Visa. However, as card programs become more and more popular, vendors will want to accommodate their customers by accepting Visa as a method of payment. If you have a vendor who does not accept Visa, please contact your Program Administrator. Your administrator will work with Wells Fargo Bank to communicate our desire, and the benefits, of accepting Visa. Alternatively, you may advise the vendor to contact its local bank for details of becoming a Visa member. It will be to our benefit, and the success of the program, if as many suppliers as possible are Visa merchants.

Limitations and Restrictions:

The Business Office and your vice president have assigned a credit limit to your card. There may also be a single transaction limit placed on your card, which means your card will be declined if you attempt to purchase more than this set amount at one time. Do not split a purchase to avoid the single transaction limit. If you believe the single transaction limit will inhibit optimum usage of the program, please discuss this with the Business Office.

In addition to the single transaction limit, every cardholder has a total monthly dollar limit assigned to his/her account. As limitations vary by cardholder, please discuss the limit with the Business Office. If you believe your monthly limit to be insufficient for your requirements, and your vice president agrees, your vice president must contact the Program Administrator to have your limit(s) increased.

The *WellsOne* Commercial Card program also allows for merchant category blocking. If a particular merchant category is blocked (e.g., jewelry stores), and you attempt to use your card at such a merchant, your purchase will be declined. Management has made an effort to ensure that the vendors/suppliers used during the normal course of business are not restricted. If your card is refused at a merchant where you believe it should have been accepted, you should call the Wells Fargo Business Purchasing Service Center at 1-800-932-0036 to determine the reason for refusal. Depending on the result of your inquiry, you may want to discuss the issue further with your Program Administrator. He/she is empowered to modify the restrictions on your use of the card.

IMPORTANT: All requests for changes in limitations and restrictions must be made through the Business Office. Wells Fargo Bank will change existing cardholder restrictions only after a request is received from the Program Administrator.

Lost or Stolen Cards:

You are responsible for the security of your card and any purchases made on your account. If you believe you have lost your card or that it has been stolen, immediately report this information to Wells Fargo Bank Business Purchasing Service Center (BPSC) at 800-932-0036. Immediately after reporting to the BPSC, you must inform your Program Administrator. **It is extremely important to act promptly in the event of a lost or stolen card to avoid company liability for fraudulent transactions.**

As with a personal charge card, you will no longer be able to use the account number after notifying the bank. A new card should be issued within 48 hours of notice to Wells Fargo Bank.

Unauthorized Purchases

- Items for personal use

As with any company purchase, the card is not to be used for any product, service or with any merchant considered to be inappropriate for company funds.

Failure to comply with the above guidelines for authorized purchases under the *WellsOne* Commercial Card program may result in disciplinary action, cancellation of your card privileges, and possible termination of employment.

Travel and Entertainment

The *WellsOne* Commercial Card is intended to assist you with payment for airfare, hotels, and out-of-pocket expenses during business travel. If for some reason you do incur out-of-pocket expenses, when you reconcile your statement you can input out-of-pocket expenses. You will select, from a drop down list, the type of expense that was incurred and input the amount. If your bank account automatic deposit (ACH) information is in the system, the payment for that expense will be automatically deposited to your account. If your ACH information is not in the system, your reimbursement will be held in the system until the ACH payment information is entered, and then it will be processed on the next billing cycle. If you are not currently setup as an out-of-pocket user, please contact the Business Office to be added to the system.

The *WellsOne* Commercial Card, when used for travel, must be used in accordance with the travel and expense policy already established.

Reconciliation and Payment

Unlike personal credit cards, the *WellsOne* Commercial Card program is handled as corporate liability. Your personal credit history has not been taken into account when a card has been issued in your name.

The Accounts Payable Department is responsible for paying the Program invoice(s) each month. You are not responsible for payment under your account.

At the end of a statement period, you will be notified via email that it is time to review your card statement. You will access the Commercial Card Expense Reporting tool via the Internet to review your statement. The statement will reflect the transaction date, posting date, supplier/merchant name and the total amount of the purchase. You have the ability to reconcile your account at any time.

You are responsible for the following:

- Retaining all detailed receipts for items purchased under the program.
- Ensuring all transactions posted are legitimate purchases made

- by yourself on behalf of Nebraska Wesleyan University
- Completing monthly online reconciliation.
 - Forwarding original receipts and statement to approver with PCard coversheet.

Receipt Retention:

It is a requirement of the program that you keep all detailed receipts for goods and services purchased. For orders placed via phone, fax or mail, or online, you must request a receipt, detailing merchandise price, sales/use tax, freight, etc., be included with the goods mailed/shipped. (Note: a merchant should not reject this request, as it is a Visa policy). It is extremely important to request and retain purchase receipts, as this is the only original documentation that shows whether sales tax has been paid. All original detailed receipts need to be forwarded to your approver, and then to the Business Office.

Reconciliation of Purchases:

It is your responsibility, immediately upon receipt of your online statement, to check it to ensure all the transactions posted are legitimate transactions made by yourself, mark transactions for which receipts will be attached, and attach line item detailed point of sale receipts or delivery invoices. Other optional functions such as splitting transactions, adding descriptions, marking transactions as personal, and reclassifying expenses can be performed using the Commercial Card Expense Reporting tool. All of the available functions will be part of your initial training and can be referenced in the Cardholder Quick Reference Guide. If everything is in order, you will mark the statement as reviewed. Once your statement has been marked as reviewed, an email will be issued to your approver for his/her approval. Follow company procedures for forwarding the receipts, PCard coversheet, and statement to your approver.

Disputed or Fraudulent Charges:

If there is a discrepancy between your record log and your statement, it is imperative that the issue is addressed immediately! Depending on the type of discrepancy, you will need to contact the merchant or complete the online dispute form to resolve the disputed transaction.

If you believe the merchant has charged you incorrectly or there is an outstanding quality or service issue, you must first contact the merchant and try to resolve the error or problem. If you are able to resolve the matter directly with the merchant, and the error involved an overcharge, a credit adjustment should be requested and will appear on your next statement. Note: The item should be highlighted on your record log as a reminder to verify that correct credit has been received.

If the merchant disagrees that an adjustment is necessary, you will complete the online dispute form. The details of the disputed transaction will be entered online and followed up on by Wells Fargo Bank.

Wells Fargo Bank must receive any charge dispute within 60 days of the transaction date. While pending resolution, Wells Fargo Bank will credit the company's account for the amount of the disputed transaction. Although Wells Fargo Bank acts as the arbitrator in any dispute, you should never assume that a dispute will be resolved in your favor.

If the dispute is not resolved to your satisfaction, and you believe the merchant has unfairly treated you, please notify your manager with the relevant details. If the merchant is one of our preferred vendors, our purchasing department may take further action.

Any fraudulent charge (i.e., a charge appearing which was not authorized by you) must be reported immediately to your Program Administrator. Prompt reporting of any such charge will help to prevent the company from being held responsible. A Declaration of Forgery or Unauthorized Use form has been included with this package to facilitate notification of any such transactions (Appendix).

Sales and Use Tax

Merchants are required by tax authorities to include the applicable sales or use tax at the time of purchase. You will be required to provide merchants with the necessary information for non-taxable goods and services. The company tax exempt identification number is printed on your card. Additional tax exempt information or questions concerning tax issues should be addressed to your Program Administrator. If sales tax is charged, the user will be required to return to the vendor and get a new invoice with the sales tax removed. Failure to follow this requirement will result in the loss of the use of the credit card.

Common Questions and Concerns

- **Why did Nebraska Wesleyan University decide to participate in a Commercial Card Program?**

Like most organizations today, we are exploring ways to streamline processes and reduce costs. Frequently the expenses incurred to process a small dollar purchase can run as high as the price of the item itself.

With a commercial card, many of the typical purchasing steps should be eliminated including, generating a request for payment, preparing a purchase order, matching a packing slip to a purchase order, matching invoices with purchasing requisitions, individual payments of invoices, etc.

- **What is the procedure when I pay for something with my commercial card?**

Essentially, the process is the same as when using your personal credit card. You must always ask for a receipt for your records, particularly for online, phone, fax and mail orders.

- **Are there any restrictions associated with the use of my card?**

Yes, in addition to our Nebraska Wesleyan University policy stating the type of products you can buy and our preferred vendor list, other controls and limits may be placed on your card including:

- Monthly dollar limit
- Daily dollar limit
- Per transaction dollar limit
- “Blocked” merchant categories

Please see your manager or Program Administrator for your specific restrictions.

- **How will I know if I have exceeded my monthly limit?**

You can check your balance and expenditures online at any time. You may also call the toll-free Wells Fargo Bank Customer Service number on the back of your card.

- **What should I do if a supplier does not accept the *WellsOne* Commercial Card?**

Please contact your Program Administrator and provide him/her with the supplier’s name, address and phone number.

- **How will I know if the company is getting billed correctly for the purchases I have made?**

You will be able to check all transactions online at any time. You will also review your statements at the end of each period. This statement is for your review only and allows you to reconcile your purchases. You must review the statement in a timely manner, as any disputed or fraudulent transactions must be reported to Wells Fargo Bank in a timely manner.

- **How will my monthly commercial card bills be paid?**

You are not responsible for the payment of your commercial card bills. The monthly statement you receive is for your review and reconciliation only. Accounts Payable will make one monthly payment to Wells Fargo Bank covering expenses for all company employees using the card.

- **Who in our company may I talk to if I have questions going forward?**

We have designated the following individual(s) as Program Administrator(s) (PA):

Ben Dahl	465-2183
Connie Folkers	465-7513
Greg Maschman	465-2116

The PA's should be contacted for any questions you have regarding limits, usage and other issues.

Only the PA's have the authority to change any existing information or restrictions to a cardholder's account.

- **What should I do if I have a problem associated with something I bought with my WellsOne Commercial Card?**

Please refer to the "Disputed or Fraudulent Charges" section of this guide for complete details. It is extremely important that you address these items immediately.

- **Once I receive the card, can I begin using it immediately?**

Once you receive your card, you will be instructed to call Wells Fargo Bank's toll-free number and provide certain information (e.g., social security number or other meaningful data) to activate the card. This procedure ensures a secure card issuance process and helps to prevent fraud.

- **What should I do if my card is lost or stolen?**

It is extremely important to call Wells Fargo Bank's Customer Service toll-free number (1-800-932-0036) immediately in the event your card is lost or stolen. You must also notify your Program Administrator.

- **Can another employee utilize my card for purchases?** (Does not pertain to department cards)

Each *WellsOne* Commercial Card will be embossed with the individual employee's name. The employee is responsible for the proper use of his/her card. ***At no time should another individual utilize your card.***

- **Can the WellsOne Commercial Card be used out the United States?**

Yes, the WellsOne Commercial Card is accepted worldwide. Purchases can be made in any currency and billed in U.S. Dollars.

- **What should I do if I need to change my monthly or single purchase limits?**

You may request a credit limit change online under the Personal Profile tab or contact your Program Administrator.