



Procurement and Expense Updates

December 2019



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Business Expense

- **Necessary** to perform a valid business purpose fulfilling the mission of Dartmouth; and
- **Reasonable** in that the expense is not extreme or excessive, and reflects a prudent decision to incur the expense; and
- **Appropriate** in that the expense is suitable and fitting in the context of the valid business purpose; and
- **Allowable** according to the terms of any federal regulation, sponsored contract, or Dartmouth policy.



Purchasing Policy

- **Purchases up to and equal \$9,999.99**

- Use of preferred suppliers is encouraged

- **Purchases between \$10,000 - \$24,999.99**

- Requires at least 3 quotes if not using contracted/preferred supplier
- Attach written quotations to requisition
- Include a clear, concise, and factual justification for selection when limited sources or low bid is unacceptable because of factual circumstance
- Contact Procurement Services to assist if unable to identify three suppliers



Purchasing Policy (continued)

• Purchases equal to or over \$25,000

- Contact Procurement Services to conduct a formal bid process
- Work with Procurement Services to directly solicit bids and provide a tabulation of bids for the requestor's review and evaluation
- Review and approval of contracts and purchase order are required
 - Contracts are reviewed by Procurement Services or Office of the General Counsel.

Make sure to leave enough time for a bid process!

• Sole Source

- When there is a single source for the required good or service
- Document technical characteristic making it essential to purchase the particular good or service



Purchasing Policy (continued)

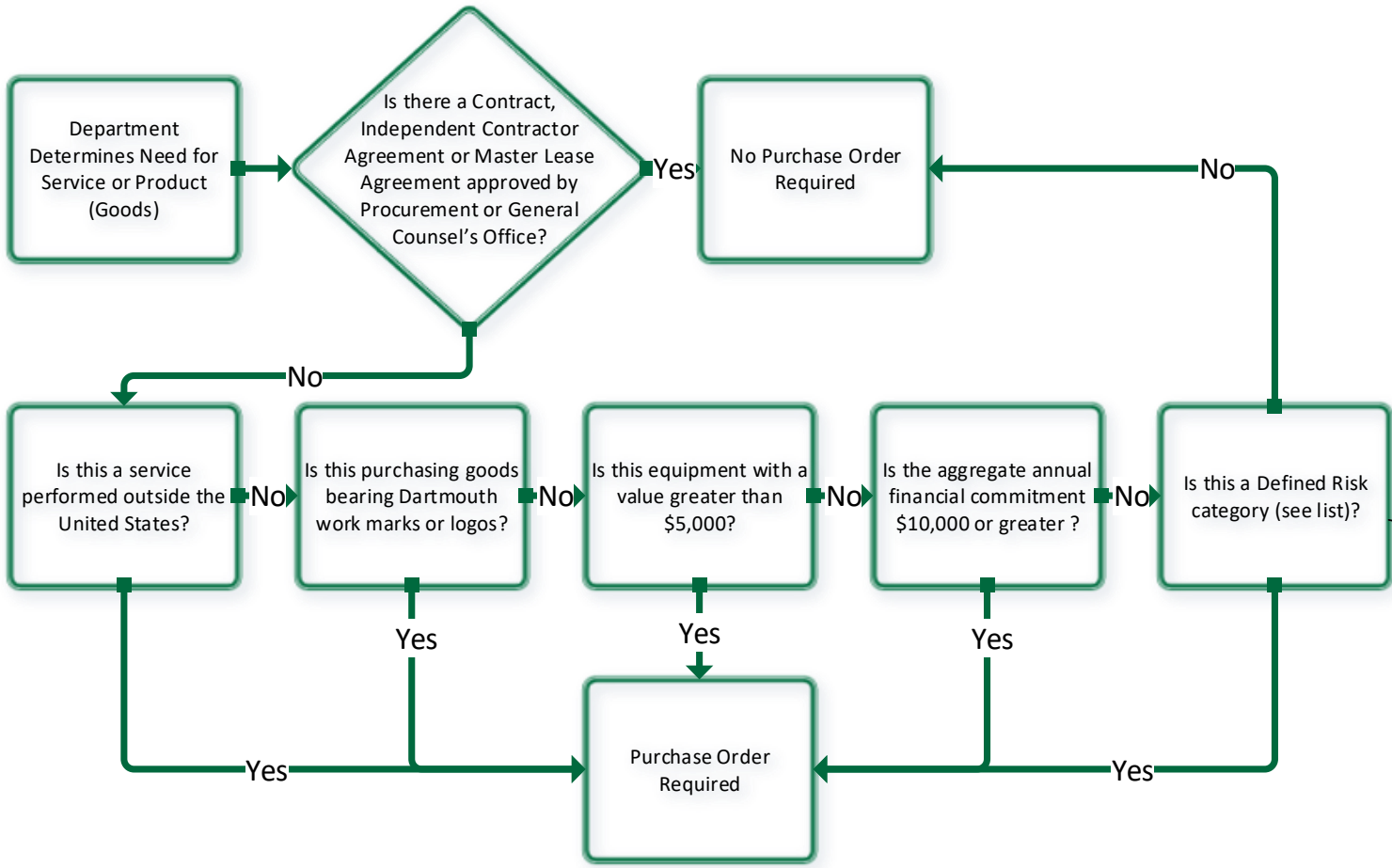
A DARTMOUTH PO IS REQUIRED IN ADVANCE OF PURCHASE FOR:

- Goods or services
 - With aggregate annual financial commitment \geq \$10,000
 - Of any value if within one of the following identified areas of risk:
 - **Food providers** for College functions
 - **Construction** - any design or construction work related to College facilities
 - **Travel and Transportation** – buses and other off-campus trips
 - **Information Technology/Financial Services**, typically involves access to personally identifiable information (PII), protected health information (PHI), financial data or other Dartmouth confidential and/or proprietary information
 - **Environmental Services** – radioactive or hazardous waste management
 - **Intellectual Property** – any transaction in which the College receives intellectual property rights (typically copyrights or patents)
- Capital equipment (a value in excess than \$5,000)
- Goods bearing Dartmouth word marks or logos
- Any services performed outside of the United States

If the Vendor requires a PO one can be generated at any dollar amount.



Determining When A Purchase Order Is Needed



- **Food providers**—not on preferred catering list
- **Construction**—any design or construction work related to College facilities.
- **Travel and Transportation** – hiring buses and other group off-campus trips.
- **Information Technology/ Financial Services**—typically involve access to personally identifiable information (PII), protected health information (PHI), financial data or other Dartmouth confidential and/or proprietary information.
- **Environmental Services**—radioactive or hazardous waste management.
- **Intellectual Property**—any transaction in which the College will receive intellectual property rights (typically copyrights or patents) in the goods or services provided

Preferred Suppliers

- **Do I need to use a preferred supplier?**
 - The use of preferred suppliers is no longer required but still encouraged.
- **Who are the preferred suppliers?**
 - W.B. Mason, VWR, Airgas, Allen’s Vending, Red Thread, Enterprise, etc.
 - Full list in Procure-to-Pay Guide (see link on last slide)
- **Why use preferred suppliers?**
 - Negotiating power comes from ability to drive business to a specific vendor
 - Suppliers vetted for insurance compliance, health certificates and background checks
- **How much do we save by using preferred suppliers?**
 - Savings vary by preferred supplier
 - Continual assessment of pricing available through the preferred supplier contracts

Example:



Comparison of top 50 office supplies:

Amazon average unit pricing: \$17.23

W.B. Mason average unit pricing: \$11.52

WB Mason 33% lower than Amazon



Preferred Suppliers (continued)

Example 2:



Comparison of top 50 lab supplies:

VWR average unit pricing: \$36.09

Amazon average unit pricing: \$66.80

VWR 46% lower than Amazon

MFG Cat#	Description	UOM	2015 Usage	Amazon Per Unit Price	Amazon Total Price	VWR Per Unit Price	VWR Total Price	\$ Variance	% Variance
34155	Kimwipes™ Ex-L Delicate Task Wipes 4.5"x 8.5"	EACH	781	\$ 5.49	\$ 4,287.69	\$ 2.15	\$ 1,679.15	\$ (2,608.54)	-61%
55081	Safeskin Non-Powdered Small BOX/100 CS/1000	BOX	734	\$ 11.33	\$ 8,316.22	\$ 10.91	\$ 8,007.94	\$ (308.28)	-4%
55083	Safeskin Non-Powdered Large CASE/1000 BOX/100	BOX	416	\$ 11.94	\$ 4,967.04	\$ 10.91	\$ 4,538.56	\$ (428.48)	-9%
55082	Safeskin Non-Powdered Medium PKG/100	PKG	139	\$ 12.84	\$ 1,784.76	\$ 10.91	\$ 1,516.49	\$ (268.27)	-15%



Procure-to-Pay Guide

- A resource for Dartmouth College employees to utilize before making a purchase of a good or service.
- The Guide is organized by category of purchase (e.g. Advertising, Computers, Equipment, etc.).
- In each of the categories, all efforts should be made to purchase goods and services using the “Buy/Pay” approach.
- **The “Buying & Paying” approaches are listed in the preferred order.**

www.dartmouth.edu/finance/purchasing/buying_paying/procure_to_pay_guide/index.php

Examples:

Select a Category:

Office Supplies

Item	Natural Classes InternalExternal	Buy/Pay Approach (in preferred order)	Preferred Vendor
Office Supplies	7511	Procurement Card, Non-catalog Requisition	W.B. Mason

Select a Category:

Laboratory Products

Item	Natural Classes InternalExternal	Buy/Pay Approach (in preferred order)	Preferred Vendor
Lab Chemicals - Reagents	7811 - 7471, 7899 7472	Borwell Stockroom, Remsen Stockroom, Procurement Card, Non-catalog Requisition	
Lab Equipment - See Equipment Section			
Lab Gases	7471	Procurement Card, Non-catalog Requisition	Airgas-East, Inc.
Lab Supplies	7811 - 7471, 7899 7472	Borwell Stockroom, Remsen Stockroom, Procurement Card, Non-catalog Requisition	VWR International, Inc.



Internal Purchases

Use a chart string or PTAE0 to charge goods and services between affiliated areas, such as:

- ✓ Computer Store
- ✓ Hanover Inn (food, beverage and rooms)
- ✓ Central Stores or other stockrooms
- ✓ Conferences and Events
- ✓ Dining Services
- ✓ Athletics
- ✓ Dick's House
- ✓ Human Resources
- ✓ Parking Operations
- ✓ Computer Service
- ✓ Hopkins Center
- ✓ Hood Museum
- ✓ Etc.

Why?

- Fees are paid by Dartmouth when credit cards are used
- Processing internal charges takes less administrative time than allocating credit card charges.
- Avoids prepared food tax at the Hanover Inn



PCard Purchases

Policy

PCards can be used for purchases up to \$2,499, with some exceptions:

- Personal Purchases
- Pyramiding Purchases
- Travel, Entertainment, Alcohol, Meals in Restaurants
- Services (unless specifically authorized)
- Clinical Study Incentives/Research Participant Payments (except gift cards)
- Internal Purchases
- See Policy for Complete List (Link on last slide)

No receipts are required for:

- Purchases less than **\$75**
 - unless varsity sport related or gift(s)
- Where Level 3 detail is provided by the vendor
(e.g. W.B. Mason, Airgas, FedEx, FW Webb, etc.)

Process

1. Purchase item using PCard. Save receipt, only if required.
2. Use eForms to submit to appropriate reviewer (Finance Center or Other Administrator)
 - ✓ Appropriate Chart String
 - ✓ Business Purpose*
 - ✓ Amount
 - ✓ Receipt (if required)
3. Reviewer approves the transaction in PCard system

* See Business Purpose examples on slide #20.



Corporate Card & Expense Reports

Policy

- **For travel and entertainment purposes**
- **When used for non-travel business related purchases, Corporate Cards can be used like a PCard for purchases up to \$2,499, with some exceptions:**
 - Personal Purchases
 - Pyramiding Purchases
 - Services (unless specifically authorized)
 - Clinical Study Incentives/Research Participant Payments (except gift cards)
 - Internal Purchases
 - See Policy for Complete List (Link on last slide)
- **No receipts are required for:**
 - Purchases less than \$75
 - Unless varsity sport related, gifts, relocation, entertainment and lodging

Process

1. Purchase item using Corporate Card. Save receipt, only if required.
2. Add any other expenses for reimbursement (e.g. mileage)
3. Settle expenses one of two ways:
 - Oracle iExpense system or app
 - eForm to Finance Center (not Geisel)
4. Expenses should be settled within 30 days and may not exceed **120 days** of the expense date or date of return from extended travel.
5. Expense Reports are certified by the employee and approved by the immediate supervisor, more senior officer in the department, or individual fiscally responsible for account. (An individual supervisor may delegate his or her signature authority to another individual.)



Corporate Card & Expense Reports Responsibilities

Payees/Travelers or Delegate

- Comply with College policies and procedures
- Provide complete, accurate and detailed information
- Submit required receipts
- Provide approver –or– grant manager
- Correct errors/remove unallowable expenses
- Pay for personal or non-College related expenses
- Settle Cash Advance in one expense report and submit to Finance Center
- Submit within 120 days

Approvers

- Confirm expenses and funding are:
 - ✓ allowable and applicable
 - ✓ available
 - ✓ reasonable
- Review business purpose
- Approve/deny within 5 days of email notification (2 sent)



Invoice Processing

All invoices should be sent to invoice@Dartmouth.edu by the vendor or, if sent to the department, by the department.

PO Invoices

- Provide PO number - if known, if not known, select Non-PO invoice and indicate "PO already created"
- Do not require:
 - approvals unless the invoice amount is over \$24,999
 - account string
 - requisition numbers
- Do not attach copies of eProcurement documents
- Indicate if goods/services can be or have been received in eProcurement

Non-PO Invoices

- Authorized approval and chart string required in Payment Request eForm
- If invoice total is \$5,000 or more and is being expensed to a PTAE0, then OSP must approve prior to submitting to a Finance Center



Hiring Food Providers/Caterers

If you use an unapproved food provider/caterer, you will need to collect all of the following documents:

- ✓ W-9
- ✓ New Supplier Form
- ✓ Certificate of Insurance
- ✓ Food Service License/Kitchen Inspection Report from their State's Health Department

For more information:

<https://policies.dartmouth.edu/policy/approved-food-provider-guidelines-departments>

www.dartmouth.edu/finance/documents/purchasing_tab_documents/food-provider-compliance-list.pdf



Independent Contractors

Individuals who render a service and meet contractor conditions established by the IRS. They are not entitled to employee benefits, are not covered by workers' compensation, and their pay is usually not subject to income tax withholding.

Independent Consultant/Independent Contractor Agreement:

- A contract completed between Dartmouth College and the independent consultant/independent contractor
- Provides Dartmouth standard terms and conditions
- Can be written for like services up to one year

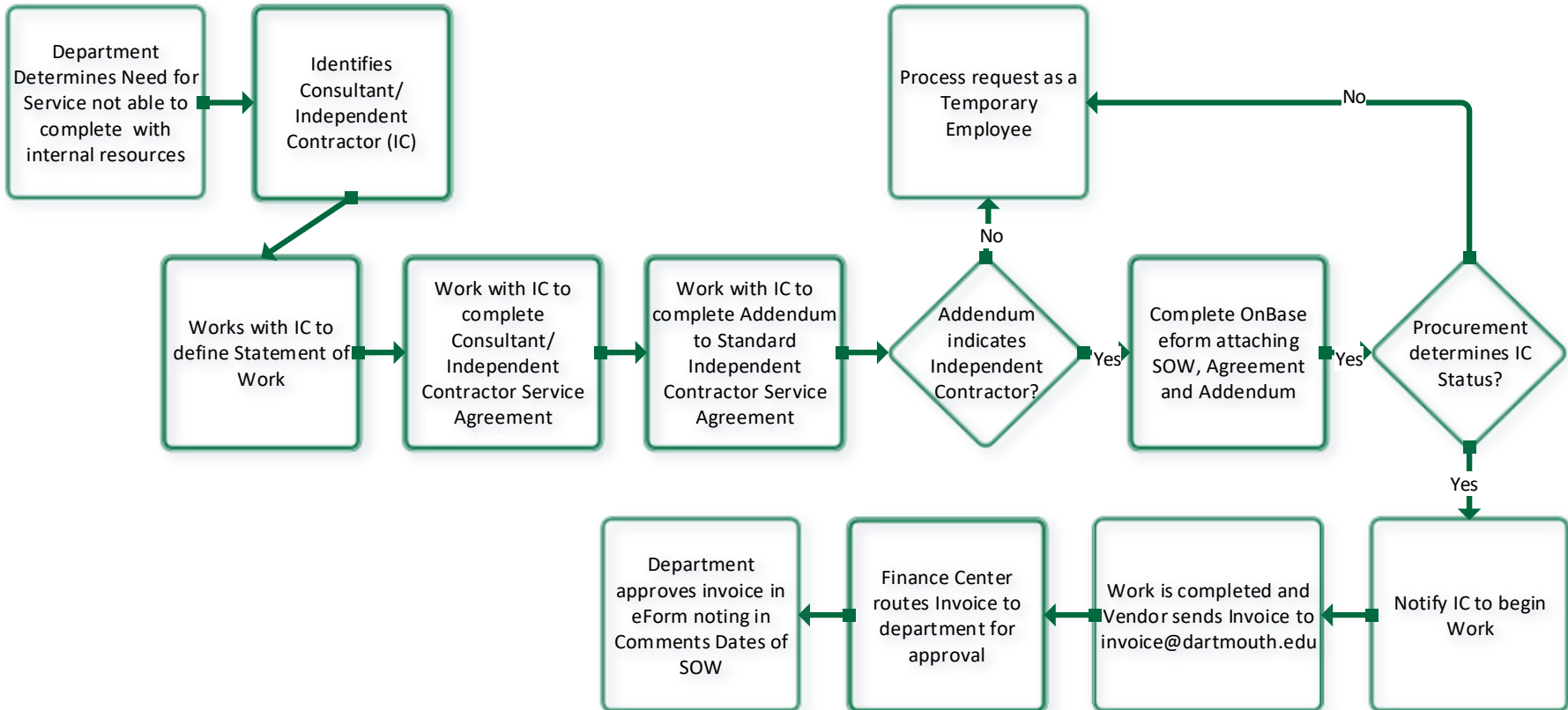
What's needed to hire an Independent Contractor:

- Completed Independent Consultant/Independent Contractor Service Agreement, Addendum checklist, Statement of Work (if appropriate) and a W-9
- Forms are valid for the period of the work assignment described on the Agreement, up to one year
- Independent Contractor status is reviewed and confirmed by Procurement

[finance/purchasing/working_with_suppliers/independent_contractors.php](#)



Working with an Independent Contractor





Fixed Assets

- The primary objective is to maintain an accurate inventory of capital equipment items (>\$5k) used by the institution and to provide guidelines to follow in recording this equipment.
- Contact the Fixed Assets Administrator in Procurement Services for assistance with:
 - ✓ Transferring/selling/disposing of fixed assets
 - ✓ Taking equipment off campus
 - ✓ Needing new equipment tagged

www.dartmouth.edu/finance/financial-management/fixed_assets_materials_management/index.php

Contact information: 603-646-2149 or Fixed.Assets@Dartmouth.edu



Business Purpose

- A “Business Purpose” is required on a Business Expense report and on a PCard purchase.
- There is no need to include information that is collected elsewhere on forms or receipts – e.g. location of travel, dates, items purchased, etc.

Not Sufficient	Enough	Too Much Information
Business trip	Trip to NACUBO Conference	Trip to NACUBO Conference in Washington DC on April 12 – April 16. Topics discussed included higher education finance.
Lunch	Lunch meeting with visiting professor, Sam Smith	Lunch at Canoe Club with Professor Sam Smith, Visiting Professor from the University of California at Berkeley.
Lunch with colleague	Lunch with Sue Smith to plan symposium presentation	Lunch at Molly’s with Sue Smith to discuss our presentation at the World Health Symposium on new methods for combating diabetes.
Dinner	Dinner meeting with Bio 101 class (20 attendees)	Pizza dinner for Bio 101 class meeting in Silsby 104 with 20 students...(names of students)
Supplies	Lab supplies	Lab supplies and chemicals: beakers, centrifuge tubes, Trypsin/EDTA .25% 100ml, Ready Gel 4-15% Tris-HCl 50uL
Supplies	Office supplies	Office supplies including staplers, pens, post-it notes, paper, and pads for office supply closet
Entertainment	Event with alumni donors	Event at Sue Smith’s house in Boston, MA for 26 alumni donors, including(names of donors)



Meals & Entertainment Clarification

- Local (non-travel) meals may be paid for using Corporate Cards.
- In cases where College employees meet over a meal when they are not traveling, the cost of the meal is reimbursable when the **primary purpose is to conduct business and there is a clear reason to meet over a meal (include in business purpose).**
- Receipts are always required when the event is considered to be “entertainment.”
- If it’s a group meal, all the attendee names are not necessary, but description and number of group members is required.

Definitions:				
Business Meals	Meals taken with students, donors, colleagues, or individuals from companies, during which specific business discussions or activities took place.			
Local Meals	Non-travel business meals (see above definition).			
Travel Meals	Business meals (see above definition) taken while traveling away from Dartmouth College.			
Entertainment	<i>OMB Definition: Costs for amusement, recreation (diversion), or social activities and any costs directly associated with those activities (such as tickets to a show or sporty event, meals, lodging, rentals, transportation, and gratuities).</i>			
Type of Meal:	BUSINESS MEALS			Entertainment (8201/8202)
	Local (Non-Travel) Meals (8151)	Travel Meals (8144/8141)		
Pcard	Under \$75	No receipt Attendees Must be delivered or picked-up	N/A	N/A
	\$75 and Over	Detailed receipt required Attendees Must be delivered or picked-up	N/A	N/A
	Per Diem	N/A	N/A	N/A
BER/iExpense	Under \$75	No receipts Attendees	No receipts Attendees if other than self	Detailed Receipt Required Attendees
	\$75 and Over	Detailed Receipt Required Attendees	Detailed Receipt Required Attendees if other than self	Detailed Receipt Required Attendees
	Per Diem	N/A	No receipt Not allowed for other than self	N/A



Signature Authority Policy

The Policy identifies which Dartmouth College employees are:

- ✓ Authorized to enter into transactions with external parties on behalf of Dartmouth and
- ✓ Authorized to approve requisitions for purchases through Dartmouth's internal procurement system

<https://policies.dartmouth.edu/policy/signature-and-requisition-authority-policy>



Who to Contact

Fiscal Officer

Supports the major divisions and professional schools

- Review, approval, and submission of PCards and Corporate Card applications
- Review, approval, and submission of changes in PCard and Corporate Card limits
- Review, approval, and submission of requests for system access and approval limits
- Approval and submission of new or updated Signature Authority
- Review and approval of OnBase actions or directly in eProcurement/iExpense, as needed

Finance Center

Supports the major divisions and professional schools in processing transactions:

- PCard expenses
- Purchase requests
- Invoice processing
- Business expenses

There are 3 Finance Centers:

- Administration and Provost
- Arts and Sciences
- Geisel School of Medicine

Procurement Services

Delivers professional procurement services to the major divisions and professional schools:

- Developing bids
- Writing or reviewing contracts
- Purchasing furniture
- Applying for a PCard or Corporate Card
- Changing spending limit for PCard or Corporate Card
- Transferring, selling, and disposing of equipment

For technical difficulties with iExpense, please contact:
expense.reporting@dartmouth.edu



Important Links

Finance: www.dartmouth.edu/finance/

Procure-to-Pay Guide:

www.dartmouth.edu/finance/purchasing/buying_paying/procure_to_pay_guide/index.php

Policies: www.dartmouth.edu/finance/forms-policies-systems/policy_library/index.php

Business Expense Policy:

<https://policies.dartmouth.edu/policy/business-expense-policy>

Expense Reporting:

www.dartmouth.edu/finance/purchasing/business_travel/expense_reporting/index.php