

# Purchasing and Accounts Payable Policies and Procedures

This course provides a general overview of the University of New Mexico Purchasing and Accounts Payable policies and procedures. Participants will learn about Petty Cash, Direct Pay Requests, Purchase Requisitions and Purchase Orders. In addition, participants will receive a brief overview of the University's Purchasing Card program (separate training is required to officially obtain a PCard).

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# Purchasing & Accounts Payable Overview

## Purchasing

The University of New Mexico's Purchasing Department is located in the University Business Center, suite 2600. PCard and Vendor Maintenance are located in suite 2400. The Purchasing Department's homepage is located at <http://www.unm.edu/~purch>, where you will find important procurement information, answers to common questions, directions to the office and staff contact information. The following are some of the functions the Purchasing Department performs for the University.

- The University of New Mexico's Purchasing Department is the central purchasing authority for issuing Purchase Orders for all goods over \$5,000 and services over \$2,500 for Main Campus, the Health Sciences Center and the branch campuses.
- Purchasing facilitates the expenditure of \$170,000,000 per year!

## Accounts Payable

The Accounts Payable department is located in the University Business Center, suite 2600. The Accounts Payable homepage is located at <http://www.unm.edu/~apweb>, where you will find important Accounts Payable information, answers to common questions, directions to the office and staff contact information. The following are some of the functions the Accounts Payable department performs for the University.

- Issues all checks for the payment of goods and services received by the University.
- Accounts Payable processes 95,000 payments annually!

The Accounts Payable department is responsible for payment of all vendor invoices. Invoices must reference a unique invoice number and are required to be submitted directly to the Accounts Payable department at the following address:

University of New Mexico  
Accounts Payable Department  
P.O. Box 4548  
Albuquerque, NM 87196-4548

If an invoice is forwarded directly to a department other than Accounts Payable, payment may be delayed.

Invoices cannot be paid without a valid Purchase Order number. The Purchase Order number must be referenced on all invoices and supporting documentation. If the vendor invoice does not evidence a UNM Purchase Order number it will be returned to the vendor with a letter indicating it cannot be processed. This may further delay payment.

## The State Purchasing Act (Procurement Code)

- Requirements of the State Purchasing Act apply to the University of New Mexico, as well as the Federal Acquisition Regulations (FARs), the Defense Federal Acquisition Regulations (DFARs), and the Office of Management Budget (OMB) principles A-110 and A-21.
- The University Board of Regents' Policy Manual and the University Business Policies and Procedures Manual (Big Red) "Policy 4320, Purchasing Goods off Campus" are extensions of the State Purchasing Act, "Chapter 13, The New Mexico State Procurement Code."
- The University Policy on Purchasing governs all purchases of supplies, materials, equipment and contractual services for the University and clearly stipulates, "Such purchases will be made only by the UNM Purchasing Department."
- All funds received by the University, regardless of their sources, are considered to be University funds and are to be expended for purchases only as stipulated in the University of New Mexico Board of Regents' Policy Manual.
- Acceptable methods for purchasing goods off campus include Purchase Orders issued by the UNM Purchasing Department, the Direct Pay Request, and the Purchasing Card. These documents are contracts that obligate the University to pay the vendor within 30 days of receipt and acceptance of the goods or services. Each of these documents have specific procedures to be followed, and specific information that must be communicated to the vendor at the time the order is placed, prior to the delivery of the goods or services requested.

# Payment Documents

## Internal Documents

- Paper Purchase Requisition (PR) – generated for the purchase of goods and services from another internal on-campus department which is issued and routed directly to the selling department.
- LoboMart Purchase Requisition (PR) – generated for the purchase of goods and services from an external, off-campus vendor that is routed electronically to the appropriate departmental and central accounting office approvers and then routed to the Purchasing Department for the issuance of a Purchase Order.
- Petty Cash Voucher – reimbursement to UNM Employees for goods purchased on behalf of the University and limited to \$100.
- Direct Pay Approval form – reimbursement to UNM employees for goods purchased on behalf of the University, not to exceed \$1,000; reimbursement to UNM employees for University business travel related expenses; approved transactions as detailed in the University Business Policies Manual, Policy #4320 (exhibit A), which can be accessed at: [http://www.unm.edu/~ubppm/ubppmanual/4320ex\\_a.htm](http://www.unm.edu/~ubppm/ubppmanual/4320ex_a.htm).

## External Documents

- Purchase Order (PO) – issued by the Purchasing Department from an approved PR initiated in LoboMart for the purchase of goods or services to an off-campus vendor.
  - Regular PO – order for goods, anticipated one delivery and one payment.
  - Standing PO – order for services, may be one time service and payment or multiple services and payments.
- Direct Pay Invoice – used to request checks for specific transactions as detailed in the University Business Policies Manual, Policy #4320 (exhibit A), and can be accessed at: [http://www.unm.edu/~ubppm/ubppmanual/4320ex\\_a.htm](http://www.unm.edu/~ubppm/ubppmanual/4320ex_a.htm), or that are pre-approved by the Director of Purchasing and which are exempt from the State Procurement Code.
- Purchasing Card – program for purchases of goods not to exceed \$5,000 and allowable services not to exceed \$2,500 per transaction.

Remember: All Purchase Orders are contracts with terms and conditions that specify and protect the rights and obligations of the University.

# Purchase Requisition – “PR”

## Internal Purchase Requisitions

The Internal Purchase Requisition is used by University departments to purchase goods or services from on campus providers such as Physical Plant services, Digital Printing services and UNM Bookstore purchases. Purchases of chemicals from Chemical Research and Laboratory Services (ChemStores) can also be initiated in LoboMart. Please see the next section for more information.

To initiate an internal purchase, departments should contact the internal service department directly for instructions. Many departments have unique processes for receiving orders from other University departments.

## External Requisitions – LoboMart

External Purchase Requisitions are used to request the purchase of goods and/or services from off campus vendors. The Purchasing department issues Purchase Orders based on the Purchase Requisition information. The Purchase Requisition has no dollar limit.

The External Purchase Requisition is also used to request payment of invoices when a Purchase Order was not issued prior to receipt of the goods or services. **Ordering items before a Purchase Order is issued is a serious violation of University Procurement policy.**

External Purchase Requisitions are initiated in LoboMart, the University's eProcurement system. After a Purchase Requisition (PR) has been submitted from LoboMart the PR information is submitted to the Banner system. Banner is the University of New Mexico's ERP (Enterprise Resource Planning) system, and all additional processing of the PR takes place in Banner.

Once the PR information is submitted to the Banner system, a validation is made to ensure that there are sufficient funds for the purchase. If Banner returns an NSF (Non-Sufficient Funds) message, the PR will be rejected and no Purchase Order will be issued. If there are sufficient funds available for the purchase, a Banner Purchase Requisition number is assigned and the Banner PR is routed to the appropriate departmental and central accounting approvers.

All Banner PRs require at least one department approval. Departmental approval queue setup is unique to each department, and some departments may have several levels of approvers. PRs for goods that exceed \$1,000 and all PRs for services must also have at least one central accounting office approval. More than one central accounting office approval may be needed depending on the source of funding and the dollar amount of the purchase.

At any point in the approval process a document may be denied. Reasons for denial may include, but are not limited to, unallowability of the purchase and incorrect index or account codes used. If a department or central accounting office denies the PR, no Purchase Order will be issued.

If all approvals are granted the Purchase Requisition is forwarded electronically to the Purchasing department for Purchase Order assignment.

**It is prohibited to fax, mail or give out a Purchase Requisition number to an off campus vendor. A Purchase Order must be issued to off campus vendors by the UNM Purchasing Department. The Purchase Requisition is restricted to internal use only.**

Purchase Requisitions for the following expenditures require that the buyer obtain additional approval before a Purchase Order can be issued:

- Vehicles must be approved by Physical Plant
- Computer networking items must be approved by ITS
- Radioactive items must be approved by SRS
- Modifications to buildings must be approved by Physical Plant
- Rental or lease of space must be approved by the Real Estate Office
- Legal services must be approved by the University Counsel's Office

## **Purchase Orders**

A Purchase Order is the basic procurement contract issued to all off campus sources for goods and/or services. This document is a legal contract binding the University and the vendor. A Purchase Order provides details about the goods and/or services the University wishes to purchase including a description, price per unit, quantity being purchased and delivery date. The back of the Purchase Order lists the University's Standard Terms and Conditions. This form is generated from a Purchase Requisition that has been approved by the ordering department and the central accounting office and received in the Purchasing Department. The Purchasing Department issues all Purchase Orders. Information about the two types of Purchase Orders is detailed in the next two sections.

Remember: Goods and/or services should NOT be rendered or solicited until a Purchase Order is approved and disseminated by the Purchasing department. The only exception is goods and/or non-professional services ordered with the P-Card. Only a Buyer in the Purchasing department has authority to issue, modify and disseminate a Purchase Order.

### **Regular Purchase Orders**

Regular Purchase Orders are issued for the purchase of goods from an off campus vendor.

Regular Purchase Orders are issued when there is an

- Anticipated single delivery
- Anticipated single payment
- Example: purchase of office equipment

### **Standing Purchase Orders**

Standing Purchase Orders are issued for the purchase of services. Standing Purchase Orders may be one-time orders or can remain open for payment of recurring services during a specified period of time. The type of Standing Order is indicated when the Purchase Requisition is completed in LoboMart.



## **Purchase Order Modifications/Change Order Requests**

Change Orders are used to modify or cancel an Internal Purchase Requisition or a Purchase Order.

The process for modifying or canceling an Internal Purchase Order may vary by internal service department. If a department wishes to modify or cancel an Internal PR the department should contact the service department directly for instructions.

The Purchasing department can only make modifications or cancellations of Regular and Standing Purchase Orders. Change Order requests are made using an electronic form available from the Banner Applications Channel under the Employee Life tab of the UNM Portal located at <http://my.unm.edu>. Change Order request forms are received by the Purchasing department, who will obtain any necessary approvals from central accounting offices. There are guidelines to assist you in determining what changes may be made to a Purchase Order. These Change Order Guidelines may be found at <http://www.unm.edu/~purch/changeorderguide.html>.

# Authorizing Vendor Payments

Once a Purchase Order has been issued and goods or services received, the University must pay the vendor invoice. Accounts Payable will only pay a vendor invoice against a Purchase Order, when the ordering department has authorized the payment. Payment authorizations can be in the form of a completed receiver, a written approval to pay for services or a pre-payment authorized by the Purchasing Department.

## Receiving

### Regular Purchase Orders

Regular Purchase Orders are only paid when a three-way match between the PO, Invoice and Receiving Document exists in the Banner system. Departments are required to complete a Banner Receiving Document for all shipments received against Regular Purchase Orders in order to authorize payment to the vendor.

When damaged or duplicate shipments are received, immediate action is necessary to protect the University's legal rights. The following notifications must be made within fifteen (15) days.

### Damaged Shipments

- Note **in writing** any and all discrepancies on the carrier's delivery receipt **before** you sign it as received. Be specific in your notations and do not hesitate to make an exception, no matter how minor you feel it may be.
- Have the delivery driver initial and date any notation or exception you make on the delivery receipt.
- Sign the delivery receipt by noting company name, your name, date received and number of packages received.
- Immediately phone the delivering carrier's Overage, Shortage and Damage department (OS&D) and requires an inspection for damage. This must be done within 15 days. Have the following information ready: carrier's name, carrier delivery receipt number, shipper's name, items damaged, nature of damage (i.e. broken, crushed, etc.), invoice value of damaged items and location where damaged items are being held for inspection.
- Make a notation of your request for inspection on the packing list that accompanied the shipment. Note the date requested and who at the carrier's OS&D department you spoke to.
- Important – Do not dispose of the carton or the inner packaging from items waiting for inspection. Retain everything and move damaged carton and merchandise to a safe, out of the way location. The carrier will not process the claim unless the merchandise and its carton are inspected together. **If potentially hazardous substances are involved, contact the UNM Department of Safety and Risk Services.**

- After an inspection has been requested, the carrier has five (5) working days to make the inspection; otherwise they waive the right to inspect. Many times because of the small dollar amount of damage, the carrier will voluntarily elect to waive their right to inspect. When this happens, request a standard claim form from the carrier. If the carrier elects to inspect the damage they will make out an inspection report and give you the original. The carrier's local office can assist you with any questions you may have when filling out your claim form. These same guidelines apply for concealed damage, which mean no evidence of damages of any kind was apparent at the time of delivery. It is imperative that you request inspection of the damaged merchandise promptly.

### Duplicate Shipments

- If you wish to return the unordered items, contact the vendor and request a Return Goods Authorization (RGA) number and instructions for returning the unwanted items. After the items have been returned, the vendor should issue a credit memo that cancels any previous charges for the returned items.
- If you want to keep the excess items, prepare a Change Order Request form to change the original Purchase Order as necessary to include the items.

### Short Shipments

- Shipments that do not include all the items indicated as shipped on the packing slip must be brought to the vendor's attention immediately. Request that the missing items be shipped using the original Purchase Order number. The ordering department and Accounts Payable must make certain the vendor does not invoice twice for the same items.

**Important** – If the department experiences continued delay or other problems resolving a damaged, duplicate or short shipment the Purchasing department should be contacted.

### Standing Purchase Orders

Standing Purchase Orders do not require a Banner Receiving Document. When the Accounts Payable department receives an invoice against a Standing Purchase Order a Banner Invoice is created and the vendor's invoice is scanned and e-mailed to the department contact listed on the PO. The e-mail requests the contact to review the vendor invoice and reply to the e-mail either approving the invoice for payment or disapproving it and giving the reason. A/P will either pay the invoice or hold it until approval is received. The department's reply will be scanned and indexed to the Banner Invoice and will be viewable in Banner. If the vendor's invoice is received in the department, the approver can write "approved for payment" and sign the approval.

## **Prepayment**

A pre-paid transaction is one in which a vendor requires payment prior to the actual delivery of the goods or services. It is the University's policy not to make prepayments, however certain transactions by their very nature require prepayment and these are discussed below. Once a prepayment is made, the burden for insuring delivery of goods and services rests solely on the ordering department.

### **Vendors requiring prepayment**

Occasionally, a vendor will require payment with an order. The department's first response to this situation should be an attempt to find another suitable vendor for the needed item or service. If no other appropriate vendor can be found, the department should prepare the Purchase Requisition for the transaction. A request for prepayment approval should be included in the Note to Purchasing section of the LoboMart PR.

Documentation from the vendor should be forwarded to the Purchasing department verifying the price and the requirement for prepayment. If the Purchase Requisition is approved and the prepayment is also approved, Accounts Payable will generate a check and it will be sent with the vendor's copy of the Purchase Order.

If the requirement for prepayment is discovered after the Purchase Order has been sent to the vendor, contact the buyer listed on the Banner Purchase Order for instructions.

### **Membership Dues, Subscriptions, Publications and Registration Fees**

As a rule, these payments are made in advance. Payment is usually made using the Direct Pay process or by PCard.

### **Deposits to Hotels for Meals & Lodging**

Often, a hotel will require a deposit when reserving its facilities (banquet or lodging) for a large group. Payment by PCard is preferred, after the approval of a special exception request. If the department does not have a PCard and wants to request a deposit payment, the department should prepare the Purchase Requisition and include the deposit requirement in the Note to Purchasing section of the LoboMart PR. Written documentation from the hotel indicating a deposit is required should be forwarded to the Purchasing department.

Deposits for employee lodgings are not allowed. Employees traveling on University business are personally responsible for payment of lodging and meals and are reimbursed using the Direct Pay process after travel is complete.

## UNM Tax Status

### Gross Receipts Tax

The University does not pay gross receipts tax on purchases of tangible goods (except items purchased for the use in construction projects.).

The University issues a Type 9 Governmental Agencies and Organizations Non-Taxable Transaction Certificate. *The certificates may be executed by governmental agencies and 501c(3) organizations for the purchase of tangible personal property only, and may not be used for the purchase of services or for the lease of property. Neither governmental agencies nor 501c(3) organizations may use these certificates to purchase construction materials to be used in construction projects.*

- This tax-exempt status applies only to items delivered in New Mexico
- All services are taxable
- The UNM Purchasing Department issues all tax certificates
- A department may also use the Tax Exemption Notice from the Purchasing Director indicating the University's tax status. This is available at: <http://www.unm.edu/~purch/taxcert.html>

## Allowable & Unallowable Expenditures

The University Business Policy #4000 can be found at <http://www.unm.edu/~ubppm/ubppmanual/toc4000.htm>.

These policies and procedures define allowable and unallowable University expenditures. These criteria apply to both procurement of supplies, materials, equipment and contractual services, and to the reimbursement of employees for business related expenses.

Any exception to this policy, which is not otherwise provided for, must be approved in advance and in writing.

Uses of University funds for the following are prohibited:

- Fines
- Expenditures of any type for personal benefit
- Maintenance and upkeep of privately owned vehicles
- Payment for membership in community and business organizations
- Purchase of personal gifts
- Purchase of holiday decorations
- Political and charitable contributions
- Office refreshments (including coffee makers, food and beverages)
- Personal items stolen from University buildings
- Contracts with firms in which individuals are employed who were University employees within the preceding 12 month period
- Entertainment of University employees
- Tuition for University credit courses, books, school supplies or other related items
- Purchase of alcoholic beverages
- Payment for goods or services not received
- Purchase of work clothes or the cleaning, alteration or repair of work clothes
- Purchase of insurance coverage which replicates University insurance

# Laws and Regulations Impacting UNM Purchasing

This chapter will cover competitive procurement requirements, or “bid limits.”

## Dollar Limits

- Greater than \$2,500  
For goods and/or services that may exceed **\$2,500** the cost of the goods and/or services must be substantiated. This may be accomplished by obtaining verbal or formal quotes; comparing recent orders; monitoring the market or Internet research.

Examples of substantiation:

\$2,500 - \$5,000 a cost comparison verbally may be acceptable.

Greater than \$5,000 - informal quotes or formal, written quotes may be acceptable. Three or more quotes should be your goal.

- Greater than \$10,000  
For goods and non-professional services that may exceed **\$10,000** UNM Purchasing Department Buyers have the discretion to formally compete a requirement through the Request for Proposal or Invitation for Bid process. Contact the Buyer assigned to the commodity your goods or non-professional service are categorized under. A list of commodity codes and Buyer assignment is located at <http://www.unm.edu/~purch/commcodes.pdf>. If the purchase is not sent out for formal competition, departments should obtain and send to Purchasing at least three formal, written quotes.

NOTE: Splitting an order to avoid competition is prohibited by state statute.

- \$20,000 or greater – Goods & Non-Professional Services, \$50,000 or greater – Professional Services  
Purchases that meet or exceed the official “bid limits” must be competitively solicited.
  - Professional Services  
Examples of Professional Services are Architects, Archaeologists, Engineers, Land Surveyors, Landscape Architects, Medical Arts Practitioners, Scientists, Management and Systems Analysts, Certified Public Accountants, Registered Public Accountants, Lawyers, Psychologists, Planners, Researchers, and persons or businesses providing similar services.

A Service Provider Questionnaire is required for all services. The SPQ form can be found at <http://www.unm.edu/~purch/ServiceProviderQuestionnaireForm.doc>.

## Request for Proposal/Invitation for Bid

Request for Proposal (RFP), and Invitation for Bid (IFB), are mechanisms to competitively solicit competitive value and pricing for goods and/or services. A Request for Proposal is utilized when factors other than, but not excluding, cost are important evaluative factors in making an award decision. An Invitation for Bid is utilized when the sole determinant of an award is based on cost alone.

Each University competitive requirement is unique; therefore, working directly with the Purchasing Department Buyer assigned to the commodity your goods and/or service are categorized under will provide you with the best guidance on how to proceed.

NOTE: Request of Proposal (RFP), and Invitation for Bid (IFB), must be publicly advertised and provide a minimum of 10 business days for interested parties to respond to the solicitation. Therefore, it is imperative to take action and contact the Purchasing Department as soon as you are aware of a purchasing requirement that may be needed for your organization.

***The Purchasing Department is here to assist you in obtaining the best VALUE and COST for your organization.***

A list of commodity codes and assigned Buyers is located at <http://www.unm.edu/~purch/commcodes.pdf>.



## **GSA, SPD and Price Agreements**

The Procurement Code allows the contracting for goods and services under existing contracts that have already been formally competed subject to the following conditions:

- **GSA CONTRACTS (General Services Administration)**  
The University may utilize established GSA Contracts if the vendor is willing to extend such pricing to the University. Such willingness must be indicated in writing as well as a copy of the contract. If a vendor is able to provide pricing “at” or “below “ a GSA contract, that vendor may be awarded upon proof of such pricing.
- **SPD Agreement (State Purchasing Division)**  
The State of New Mexico routinely solicits competitive pricing and establishes agreements with vendors who provide commonly used goods and services. The University may utilize established SPD agreements, provided all Terms and Conditions of the Agreement are followed to include quantity.
- **UNM PRICE AGREEMENTS**  
The University routinely competes and establishes Agreements with vendors who provide commonly used goods and services for the University. Examples of such Agreements are Bottled Water, Car Rental, Hotel, Computer Equipment, IT Services, Laundry Services, Security Services and Shipping.
- **SOLE BRAND/SOLE SOURCE**  
A contract may be awarded without competitive sealed bids or competitive sealed proposals regardless of the estimated cost when the purchasing agent or a central purchasing office makes a determination, after conducting a good-faith review of available sources and consulting with the using agency, that there is ONLY one source for the required service, construction, or item of tangible personal property. The price must be proven reasonable, or justified; price alone does not justify a sole source.

Sole Source for Services and Sole Source/Brand Forms may be downloaded from the Purchasing Department Website.

## University Central Accounting Offices

Several offices provide the University with accounting services. These offices (listed below) are generally referred to as the central accounting offices. Each central accounting office is responsible for certain index codes (indices).

A central accounting office is responsible for:

- Determining that the correct index and account code are used.
- Determining that the index has sufficient funds budgeted to cover the expenditure, and that the expense is reasonable, allocable and allowable for the index code being charged.

In order to determine if an expense is appropriate, the central accounting office will:

- Audit the document for various reporting requirements including 1099 reporting, employee or independent contractor determination and W2 reporting requirements.
- Review for compliance with Board of Regents policy and other University, State and Federal policies and guidelines.

Contract & Grant Accounting, Main (277-4721), UNM Business Center, suite 2100  
Financial Services, HSC (272-6264), HSSB, room 102  
Unrestricted Accounting, Main (277-2018), UNM Business Center, suite 3400

## On-Campus Providers

Below is a sample list of departments providing a variety of goods and services that are available on-campus. Departments are encouraged to contact these on-campus suppliers for their needs.

- Physical Plant (277-2425) – Building maintenance and repair, remodeling, custom sheet metal and carpentry work, refrigeration repair, motor pool, locksmith and custodial services.
- Bookstores Main Campus (277-5451) and Medical/Legal (272-5827) – Office supplies and books.
- Media Technology Services (277-6151) – Audio/Visual equipment rental, video production services, graphics services, and film library.
- Digital Printing Services/Duplication Facilities Heath Sciences (272-4900) Dane Smith Hall, ASUNM Copy Center (277-5031) Library Copy Center (277-2840) – High speed copying, binding, collating, shredding, microfiche as well as film copying, folding and cutting.
- Health Science Shop Services (272-5003) – Machining services, equipment repair, liquid nitrogen, tax-free alcohol and custom electronics fabrication.
- Information Technology Services (ITS) (277-8140) – Hardware and software consulting, software licensing, instruction in mainframe and microcomputer usage, hardware maintenance and help-desk services.
- Records Management Center (277-3518) – Storage of departmental records, record retention schedules, records retrieval and delivery, paper recycling, shredding, microfilming/microfiche services and filing systems consultations.
- Public Affairs Department-Main (277-5813) – Public relations, consulting services for publication design and editing and advice/approval of UNM logo.
- Public Affairs Department-HSC (272-0202) – Assists with all aspects of marketing and promotion for Health Science Center and provides advice/approval of HSC graphic standards and logo usage.
- Surplus Property (277-2923) – Recycling of University equipment, maintains “want lists” of items needed by UNM departments and screens equipment at other government surplus yards.
- Employee and Organizational Development (272-7740) – Full range of scheduled workshops and seminars covering administrative and management topics, customized training and organizational development activities, and meeting facilitation and strategic planning assistance.
- Surplus Chemicals (277-9511) – Selection of new and barely used chemicals free to researchers. Access the database from the Safety & Risk Services (SRS) web page or <http://shea.unm.edu/enviro/surplus.cfm>.
- CRLS – Chemistry Stores (277-5109) – Chemicals, reagents, laboratory glassware, and small equipment for medical and scientific research. Hazardous chemicals may be purchased from CRLS either from the LoboMart catalog or with an internal purchase requisition.

Many other University departments can provide a variety of goods and services, although such activities are not central to their mission. The buyers in the Purchasing Department may be able to assist you in identifying other on-campus sources.

# Petty Cash Reimbursement Form

## Description of Use:

- Used to reimburse UNM employees for non-travel related expenses spent on behalf of the University.
- Petty Cash may be used for departmental purchases of \$100 or less per day, per vendor.

## Prohibited Uses of Petty Cash:

- Petty Cash may not be used for personal advances, loans, IOU's, cashing checks or salary payments.
- Petty Cash may not be used for payments for outside services, purchases from campus departments or payments directly to off campus vendors.
- Petty Cash may not be used to reimburse travel expenses or any other unallowable expenditure.
- Reimbursements may not be claimed more than once for the same purchase – by signing the receipt, the person being reimbursed certifies that he/she has not received prior reimbursement.

## Important Information:

- Reimbursements require original invoices.
- The University will not reimburse sales tax paid. It is the responsibility of the employee to notify the vendor of the University's tax-exempt status for the purchase of tangible goods at the point of purchase.
- Request for reimbursement should be processed no more than ten (10) days after the date of purchase. Invoices more than six (6) months old will not be reimbursed.
- Reimbursement for entertainment of non-UNM employees requires a list of names of each person entertained on the Petty Cash Receipt form.
- Reimbursements to faculty must be approved by the Department Chair or Dean.
- Reimbursements which exceed \$100, but are less than \$1,000, are reimbursed using the Direct Pay Request Form.
- The Petty Cash form can be found at:  
<http://www.unm.edu/~gacctng/docs/pettycashreimbursement.xls>.

## Documentation & Routing

### Documentation

- Original paid signed receipts are required to document expenditures for which reimbursement is being requested.
- The department must tape these original signed receipts to an 8 1/2 X 11 sheet of paper so that they are easily filed and maintained with the petty cash form.

### Routing

- All copies of the petty cash form with paid signed receipts attached are hand carried to the appropriate central accounting office.
- The central accounting office will stamp the form with a control number, approve for payment, and remove and retain accounting copy and the original paid receipts.
- The remaining two (2) copies are carried to the Cashiers window.
- Cashier will require the initials of the department representative on the petty cash form and a signature on the cashiers receipts for cash dispersed. Cashier will keep the white copy.
- Cash and department copy will be given to the department representative.

## Direct Pay Approval Form

The Direct Pay Approval form is used to request a variety of payments that have been pre-approved by the Purchasing Department. A complete list of these authorized payments is detailed in the University Business Policies Manual, Policy #4320 (exhibit A), and can be accessed at [http://www.unm.edu/~ubppm/ubppmanual/4320ex\\_a.htm](http://www.unm.edu/~ubppm/ubppmanual/4320ex_a.htm).

Direct Pay transactions usually do not require invoices other than those for reimbursement. The Direct Pay Approval form must include the original backup documentation. Exceptions to this policy must be approved by a Central Accounting Office. Common uses include:

- Conference registration fees, Memberships in professional organizations
- Purchase of books and periodicals direct from the publisher or copyright holders (\$1,000 limit)
- Travel reimbursements
- Reimbursements for goods or printed materials purchased on behalf of the University to employees only (limit \$1,000)
- Honoraria

Remember: The Direct Pay Request form may only be used for those pre-approved transactions listed in the University Business Policies Manual. The list of pre-approved transactions can be found at [http://www.unm.edu/~ubppm/ubppmanual/4320ex\\_a.htm](http://www.unm.edu/~ubppm/ubppmanual/4320ex_a.htm).

Check pick-up requests must be submitted via email to the Fiscal Services Supervisor in Accounts Payable.

## Supporting Documentation

Supporting documentation should be prepared as follows:

- Back up or supporting documentation must be stapled on the top left hand corner, not paper clipped. This should be the only staple unless original documents required to be mailed with the check are attached.
- Original documents required to be mailed with the check such as personal checks, notarized legal document, and self addressed envelopes must be attached at the back of the DPA packet and stapled on the left side.
- DPA Forms must be printed on 8 ½ x 11" paper and in portrait view rather than landscape view.
- Stickies, 'sign here' tags or post it notes of any kind must be removed from all of the supporting documentation.
- All receipts smaller than 8 ½ x 11", must be taped, not stapled, on all four sides to a blank piece of white paper. Do not use colored paper.
- Only attach receipts to one side of page.
- Only use clear tape to adhere your receipts to 8 ½ x 11" size white paper in portrait view.
- When using recycled paper, place a large 'X' on the side that is not to be scanned.
- Account numbers, drivers license numbers and social security numbers should be blacked out.

For orders placed directly to the vendor, proper documentation is the original and one copy of the invoice or order form that states the prices and the payee's name.

For all reimbursements, proper documentation includes original receipts or cancelled checks (if paid receipt is not available). If the original receipt or original cancelled check is not available, copies of the bank statement showing that the check cleared will be accepted.

Legal documents are required for damages or settlement payments and are kept on file in the University Counsel's office. The additional information field should be used to indicate where back up documentation is kept.

Other documentation may be required for certain transactions like:

- Conference registration forms
- Membership dues statements
- Coupons, order forms
- Notary Public applications
- Honorarium Information Form

No documentation is required for the following transactions:

- Payments to game officials
- Refunds
- Royalties

## **Direct Pay Invoice**

In order for a check to be issued to the payee, a Direct Pay Invoice must be created in Banner using the DPEZ form. The DPEZ is keyed into Banner by the department. Training on the DPEZ process is available through the University's Employee and Organizational Development Office. You may register for training by using the Learning Central application. Learning Central may be found on the EOD website, located at <http://www.unm.edu/~hrinfo/>.



## Purchasing Card

*This section contains some basic information about the University of New Mexico's Purchasing Card program. If you are interested in having a Purchasing Cardholder in your department, an online training course is available through the Employee and Organizational Development office that covers the P-Card policies and procedures in greater detail.*

The Purchasing Card program is a process that has been implemented throughout the University of New Mexico. The Purchasing Card is a tool issued to individuals for the purpose of making purchases on behalf of the University. The University will submit payment to the issuing bank for approved purchases made using the P-Card.

The P-Card program is intended to simplify the procurement and payment process and reduce total acquisition cost. Additionally, it provides users with greater purchasing flexibility. Under the Purchase Order system it is not unusual for acquisition cost (requisitioning, approving, purchasing, receiving, A/P, etc.) to add between 15% and 40% to the cost of goods, particularly on low dollar transactions. The potential for savings is substantial!

With any procurement process, there is a risk factor. Risk is managed by establishing a process that has a formal review and periodic audits. The Purchasing Card program is a controlled process with most of the responsibility for control placed at the user level.

### Approved uses of the Purchasing Card

- The P-Card may be used to procure approved materials, supplies and non-capital equipment not exceeding \$5,000 with any vendor that accepts Visa and that is not restricted by the University. The card may also be used for allowable services not exceeding \$2,500.
- Both restricted and unrestricted index codes may be used on the P-Card.
- The Dean, Director or individual with budgetary responsibility for the indices will determine the limits for the cardholder. A cardholder can be limited to a maximum number of transactions on a daily basis, a monthly basis, or both. A cardholder can also have a daily or monthly dollar limit.