



Business Office

Purchasing Policy and Procedures

Purpose

The Centenary College Purchasing procedures supports the need to procure goods and services for the college in a timely and cost-effective manner, while ensuring compliance with applicable regulations, requirements which the college must satisfy, and appropriate business processes. This Policy intends to meet the procurement requirements contained in the OMB Uniform Guidance Procurement Standards and applies to all Centenary College employees and any personnel responsible for the acquisition of goods and services for the college, unless otherwise exempted in accordance with this Policy. This Policy applies to all purchases made from external suppliers and not to Centenary College suppliers (e.g., bookstore). Adherence to this Policy will mitigate risk, ensure compliance to requirements, drive effective procurement processes, and deliver benefits to Centenary College. Failure to comply with the directives in this Policy are a direct violation of the College Code of Business Ethics and Conduct and may result in disciplinary action up to and including termination of employment.

Overview of Purchasing at the College

At Centenary College, most tactical buying decisions are made by faculty and staff in the schools and departments, while policy and strategic sourcing decisions are made through the Business Office and Finance and Administration. The college expects employees and personnel responsible for the acquisition of goods and services for the college with funds held in the custody of the college to make sound purchasing and contracting decisions that conform to all relevant policies and procedures

Procurement Authorization and Methods

Only individuals who are authorized to commit college entrusted funds can make purchases on behalf of Centenary College. These individuals include Budget Manager, Card Holders, and those who have formal signature authority under college policy. If an unauthorized person attempts to commit college funds, Centenary may consider the acquisition effort null and void and decline to pay any invoice that might be issued. All contracts must be signed by the President or Vice President for Finance and Administration.

The following methods may be used for purchases on behalf of Centenary:

- **Purchase Orders (POs)**

(See **[Purchase Order Policy](#)** for Additional Information)

Legally binding (with terms and conditions) commercial documents used to control purchasing and to facilitate payments (after a three-way match). Purchase Orders are completed by the buyer, prior to the purchase, and approved via a designated workflow in the college financial system. PO indicates the supplier, types, quantities and agreed prices for the products or services the supplier will provide to the college.

- **Purchasing Card (PCard)**
(See [Purchase Card Policy](#) for Additional Information)
A card issued to authorized employees to make allowable purchases of goods and services on behalf of the college.
- **Expense Reimbursements**
(See [Expense Reimbursement Policy](#) for Additional Information)
While not recommended, use of personal funds is allowed for the purchase of goods only when logistical or extenuating circumstances occur that preclude use of a PO or PCard.
- **Advance**
(See [Advance Policy](#) for Additional Information)
An advance is money paid to an employee in advance of a College business trip that will be applied toward actual travel expenses

Sales Tax Exemption

Centenary College is a regionally accredited independent institution of higher education and a member in good standing with LAICU.

For purposes of the payment of state sales or use tax on the lease or rental or the purchase of tangible personal property or services, "person" shall not include a regionally accredited independent institution of higher education which is a member of the Louisiana Association of Independent Colleges and Universities, is such lease or rental or purchase is directly related to the educational mission of such institution. However, the term "person" shall include such institution for purposes of the payment of tax on sales by such institution if the sales are not otherwise exempt.

State Taxes	0%
Parish Taxes	4.6%

Budget Manager Responsibilities

- Abide by this Policy and any related government, sponsor, or college policies, procedures, guidelines and/or business requirements as applicable.
- Use the appropriate college purchasing method for procuring goods and/or services.
- Maintain security of purchasing methods.
- Ensure departmental buyers are aware of budgeted funds prior to making a purchase, and purchases fall in line with allotted funds.
- Obtain appropriate approvals and documentation prior to purchase.
- Ensure goods or services are necessary and avoid acquisitions of unnecessary or duplicative items.
- Ensure personal purchases are prohibited and reported promptly to Business Office if found.

Purchasing Thresholds

Up to \$3,000.00

Faculty: Budget Manager or Provost
Staff: Budget Manager or Department Supervisor
Students: Faculty/Staff Organization Advisor and Dean of Student Development

Over \$3,000.00 but less than \$5,000.00

Faculty: Budget Manager and Provost
Staff: Budget Manager or Department Supervisor and Division Vice President
Students: Faculty/Staff Organization Advisor and Dean of Student Development

Over \$5,000.00

Faculty: Budget Manager, Provost, and VPFA
Staff: Budget Manager, Department Supervisor, Division Vice President, and VPFA
Students: Faculty/Staff Organization Advisor, Dean of Student Development, and VPFA

Accounts Payable

Accounts Payable processes all payments for goods and services. To request payment of an invoice, please sign, date, and write the accounting distribution on the invoice or Accounts Payable Check Request.

Invoices must be submitted with appropriate and timely countersignatures. If not, Accounts Payable, has been instructed to not pay the vendor until such approvals and paperwork are in place. The Business Office will return all incomplete paperwork to the purchasing party to obtain complete authorization and documentation. If there are delays in getting this completed and the vendor calls the Business Office regarding payment, those calls will be transferred to the purchasing party. The purchasing party is responsible to get the documentation completed, back to the Business Office and resolve any issues regarding the purchased items with the vendor prior to that time. Exceptions to this policy requiring counter-signatures or purchase orders include recurring monthly expenses such as utility payments, leases, payroll related payments. Student account and financial aid refunds are also exempt.

Check Run Schedule

Accounts Payable runs checks once a week, on Thursday morning, and checks are normally mailed on Fridays. Check Request and Invoices need to be submitted to the Business Office by 1pm on Wednesday in order to be processed in the current week's check run. During holiday weeks or inclement weather, the check run schedule may be changed. The campus community will be notified in advance when the schedule is changed.

There is a 10-business-day turnaround on reimbursements and payment processing. Please allow at least 10 business days before contacting the office regarding the status of a payment.

Mileage Reimbursement Policy

The rate of 53.5 cents per mile is to be used for reimbursement requests for all mileage incurred on or after January 1, 2017.

The College will reimburse employees for the use of their personal vehicle used for College business. Reimbursement will be at the effective date and rate published in this policy. The business mileage rate covers all costs of operating the vehicle including gasoline, oil, insurance and repairs, etc. Receipts for tolls and parking fees are reimbursed separately and not included in the business mileage rate.

Mileage reimbursement is meant to cover only those miles incurred above and beyond the employee's normal commute to his/her place of business. For example, if the normal commuting round trip is 20 miles, and the employee goes on a trip that covers 75 miles, only the incremental 55 miles are reimbursable. The number of days should also be taken into account. If the 75 miles in the above example were incurred over three business days, then the incremental reimbursable miles would be 15 ($75 - (3 * 20)$).

Reimbursement requests should indicate the points of travel and the miles eligible for reimbursement. Mileage reimbursement requests should be sent to Accounts Payable either separately or as part of a larger travel reimbursement request.

Human Resources will update the policy website to reflect this change in rates.

Payments to Students & Employees

It is extremely important that any payment for work done by a student or employee of the college be processed through Payroll rather than through Accounts Payable. Failure to properly report these individuals as employees and remitting the appropriate portion of employer's tax puts the college and the individual at risk of incurring severe financial penalties from the IRS. If you are unsure as to the proper handling of payments to be made to an individual please contact the Human Resources department.

Vendor Creation Procedure

The purpose of this policy is to provide for the maintenance and control of an accurate vendor master file within the Banner System. This procedure will help maximize efficiency within the Accounts Payable (AP) function so that the occurrence of duplicate vendor payments and inaccuracies in vendor information is avoided.

Creation and maintenance of vendor files in the Banner system is a process solely controlled by Business Office. The Business Office is responsible for receiving the appropriate documentation from the requestor to establish a new vendor, changing vendor's information and for ensuring that each vendor has only one master vendor file.

For additional information see [**Vendor Creation Procedure**](#)

Disallowable Reimbursements

- Disallowed College Purchases: The following list of disallowed charges is not meant to be comprehensive but should provide the user with guidance on the appropriateness of charges. Request for exceptions must be approved, in writing, by the Vice President for Finance and Administration prior to purchase.
- Personal Subscription
- Parking or Traffic Violations
- Airline Clubs
- Personal Entertainment – (movies, books, magazines, etc.)
- Childcare Expenses and Pet Boarding
- Conference Tours
- Fees involved by extending the trip for personal vacation
- Gift Cards (These should be processed as an advance. Considered Taxable Income for Recipient. Will be reported on 1099 or W-2)
- Lost or Stolen Property
- Contractual Services
- Tobacco Products
- Cash Advances
- Electronics (computers, laptops, iPads, tablets, printers, fax machines, copy machines, etc.) not authorized by IT Department. Employees are required to contact the IT department for approval before ordering directly. An approval from the IT Department must accompany receipt(s)
- Costs incurred by unreasonable failure to cancel transportation or hotel reservations;
- Fines
- Accident insurance premiums
- Membership in AAA or airline clubs (exception may be made upon department approval for those who do substantial travel on College business);
- Other personal expenses such as “pay per view” movies, health and grooming services or supplies; hotel mini-bars
- The portion of rental car, hotel or other travel expense unrelated to College business;
- Excessive tips (Excess of 20%)
- Excessive alcoholic beverage purchases. The general rule of thumb is the College will reimburse one drink per meal, per person. Alcoholic beverages should be submitted on a separate receipt.

Allowable Reimbursements

The following is a list of allowed charges for the College. This list is not meant to be comprehensive but should provide the user with guidance on the appropriateness of charges.

- Airfare/Rail
- Business Meals with External Business Community Members. (This will include local business meals.)
- One alcoholic drink per meal, or one bottle for three or more attendees
- Car Rental
- Car Service
- Checked Baggage Fees
- Conference Registration
- Flight Insurance (With Cabinet level approval)
- Gasoline or Mileage
- Hotel Expenditures
- Membership Dues to Professional Organizations (Must be related to job duties)

- On or Off-Campus Lunches/Entertainment up to \$500 with only faculty, staff, and/or students present will be allowed. (Each divisional Vice President will have the authority to approve parties within the division, which contribute to the mission of the unit. This approval would allow for the purchase of small refreshments.)
- On-line Job Advertisements (Please contact Human Resources Department to place job advertisements with vendors.)
- Operational/Instructional Supplies and Equipment
- Parking
- Professional Subscription Services
- Restaurants and Food Marts (conducting business for Centenary College)
- Shuttles
- Taxi Cabs
- Tolls
- Webinars