

# Division of Business and Finance

## Training Guide

Procurement and Materials Management,  
Accounts Payable, Central Motor Pool, and Travel

ELIZABETH CITY STATE UNIVERSITY



# ELIZABETH CITY STATE UNIVERSITY



**Division of Business and Finance**



## Welcome and Introductions

*Arkeem L. Fleming, Interim Special Assistant to the  
Vice Chancellor for Business and Finance*

*Ruth Ann Williams, Director  
Procurement and Materials Management*

*Pauline Holley, Supervisor  
Accounts Payable*

*Dennis Leary, Supervisor  
Central Motor Pool*

*Melvin Jones, Coordinator  
University Travel Office*





## PROCUREMENT AND MATERIALS MANAGEMENT

### General Overview

# Ethical Standards In Purchasing



OFFICE OF THE  
VICE CHANCELLOR  
FOR BUSINESS AND FINANCE

TEL: (252) 335-32  
FAX: (252) 335-31

## MEMORANDUM

**TO:** All Faculty and Staff

**FROM:** Mrs. Janice W. Baker *JW Baker*  
Interim Vice Chancellor for Business and Finance

**DATE:** February 25, 2008

**RE:** Ethical Standards in Purchasing

The following information is being supplied in order to ensure ethical standards in purchasing are being employed at Elizabeth City State University. There have been incidents of non-compliance and misinterpretation with these standards. These incidents have caused various findings at other state agencies during audits conducted by the North Carolina Office of the State Auditor. Please thoroughly review this information and add it to your day to day business practices to ensure that conflicts of interest do not occur and that employees do not accept gifts from vendors.

### Ethical Standards in Purchasing

State and University policies prohibit the Purchasing Office from entering into any purchase agreements for personal purchases on behalf of employees. All goods and services purchased remain the property of the State until consumed or disposed of by public sale through Surplus Property procedures.

In order to avoid potential "conflict of interest," the University's policy (400.1.14) is not to purchase from State or University employees. Any request to purchase materials or services from State or University employees or from companies in which an employee may have an interest must be sent through the State's Division of Purchase and Contract for approval by the State Secretary of Administration.

North Carolina's General Statute 133-32 addresses the legal implications of State employees accepting gifts or favors from vendors. Briefly summarized, this statute states that it is unlawful for any vendor who has a current contract with a governmental agency, has performed under such a contract within the past year, or anticipates bidding on such a contract in the future, to give gifts and favors to any employee of a governmental agency who is charged with preparing plans, specifications, or estimates for public contract. It is unlawful for a State employee to willfully receive or accept such gifts or favors. North

All Faculty and Staff  
February 25, 2008  
Page 2

Carolina General Statute 133-32 can be viewed in its entirety at the North Carolina General Assembly website at <http://www.ncleg.net/gascripts/Statutes/Statutes.asp>.

In accordance with NCGS 133-32, ECSU employees are not to receive or accept gifts or favors from contractors, subcontractors, or suppliers who are doing business with the university or who anticipate engaging in future business with the university. Gifts such as free tickets to sporting events, concerts, etc.; free meals/lunches, vendor catered banquets or parties; and travel expenses should, generally speaking, not be accepted at all. Exceptions to the rule are honorariums for participating in meetings, advertising items of nominal value, and meals furnished at banquets. Gifts to Public Officials can cause at least two problems. The first is a direct conflict of interest, and the second involves the "appearance" of a conflict of interest. If a gift creates the impression of being of a conflict of interest, it should not be accepted.

When competition is received during the bid solicitation phase of an acquisition, the requesting department will normally participate in the evaluation process. After requests for quotes/bids have been issued by the Department of Materials Management and prior to the award of a purchase order or contract, possession of bid/quote information is limited to University and State evaluating personnel only. Any communication with bidding vendors that may be necessary for the purpose of clarification of a quote or bid must be cleared in advance through the Office of Procurement and Materials Management.

Please feel free to contact me at 335-3220 if you have questions or comments.

cc: Dr. Willie J. Gilchrist, Chancellor  
Mrs. Pattie E. Smith, Internal Auditor

## Purchasing Procedures

- The purchase order is used to procure goods and services for Elizabeth City State University.
- The Purchasing Office processes the purchase order upon receipt of an approved requisition from a department. The purchase order is an official contract between the University and the vendor.
- If the proper procedures are not followed, then the purchase is the personal responsibility of the employee. The individual who placed the order will be held personally responsible for the amount of the purchase. This is considered to be an Unauthorized Purchase.





WILLIE J. GILCHRIST  
CHANCELLOR

TEL: (252) 335-3228  
FAX: (252) 335-3731  
EMAIL: WJGILCHRIST@MAIL.ECSU.EDU

MEMORANDUM

**Unauthorized Purchases**

TO: All Faculty and Staff  
FROM: Willie J. Gilchrist *WJG*  
Chancellor  
DATE: September 23, 2007  
SUBJECT: Unauthorized Purchases

Interim Vice Chancellor Baker has notified me that recently some faculty and/or staff have placed orders and received goods and services directly from vendors without first receiving appropriate approvals. This is a serious violation of North Carolina and ECSU policies and regulations and can lead to dire consequences for the university.

The University's procedures are that all orders for goods and services are made by the ECSU Purchasing Office. This is accomplished through the use of a purchase requisition, which is processed in the Business Office to ensure compliance with applicable state budgetary and purchasing regulation.

Upon appropriate approval of the requisition, a purchase order is sent to the vendor by the purchasing agent. This is the official contract between the university and the vendor. If this procedure is not used, **the purchase is considered personal and the individual who placed the order will be held personally liable for the amount of the purchase. The purchase is then a contract between the individual faculty and/ or staff and the vendor. Additionally, the faculty or staff member is subject to disciplinary action if he or she represented to the vendor that the university is responsible for the purchase. THIS PROCEDURE WILL BE STRICTLY ENFORCED.**

If you have other special circumstances which need to be addressed, please call Interim Vice Chancellor Janice Baker at extension 3220 or Purchasing Director Ruth Williams at extension 3787. They will work with you to ensure that procedures are developed to address your needs.

Your support of the university's established policies and procedures should result in improved efficiency in the purchasing area. Your orders will be placed and delivered in a timely manner.

Thank you for your usual support and cooperation.

cc: Janice Baker, Interim Vice Chancellor  
Ruth Williams, Director of Purchasing



# PREPARING A REQUISITION

- A requisition is a form used to purchase office supplies, furniture, equipment, and services from a vendor.
- All requisitions must include: vendor's name, address, telephone number, federal tax ID, unit commodity code (if applicable), complete description of the item, signature of the requisitioner, principal investigator (if applicable), or an account custodian and department head or supervisor.





## N. C. STATE TERM CONTRACT

- In an effort to reduce state wide cost for frequent purchased items, the North Carolina Department of Administration – Division of Purchase and Contract competitively awards contracts for goods and services for a period of one to two years.
- The University is required to purchase specified items from the appropriate term contract vendor. The University is not allowed to deviate from term contract based on cost.



# NORTH CAROLINA STATE CONTRACT

- How to Access State Term Contract
  - Enter <http://www.doa.state.nc.us/PandC/> into the web address.
  - Click on keyword listing.
  - Click on the alphabet of the item needed.



## QUOTES, BIDS, AND BENCHMARKS

- All university departments are encouraged to seek competitive pricing when procuring goods and services.

### Quotes

- Up to \$4,999 or below a quote is not required.
- \$5,000-\$9,999 quotes are required. Quotes may be submitted by telephone, fax or written. Quotes must be submitted with the requisition. A minimum of three (3) quotes required.



## QUOTES, BIDS, AND BENCHMARKS CONTINUED

### Bids

- \$10,000-\$100,000 - informal bids required. Department must provide detailed specification and a list of prospective vendors.
- \$100,000 is the university's benchmark. Any purchase over \$100,000 must be forwarded to the Division of Purchase and Contract for public bid.

**Caution: Orders cannot be split to avoid the bid process.**

**ECSU cannot purchase supplies, furniture, equipment or services covered by a term contract from other sources.**



# STANDING PURCHASE ORDERS

- **Standing Purchase Orders are processed for services and/or repairs that occur on a regular basis. Examples include copier rentals, repair supplies, books, gasoline, etc.**

## Consultant Services

- **Consultant Service- State agencies shall acquire consultant services only when such a contract is determined to be in the interest of the state agency requesting the services.**
- **The university must submit to the Division of Purchase and Contract written justification for the request. It must explain why the service cannot be accomplished within the agency.**
- **Examples: Foundation Audits, Evaluate Educational Programs, Marketing Strategy.**



## CENTRAL RECEIVING

- **Central Receiving is responsible for receiving, checking, and delivering supplies and equipment ordered for all University departments.**
- **Central Receiving is responsible for returning merchandise to vendors.**
- **Shipments through priority handling services such as FED-EX or UPS overnight are directed to individual departments.**



# FIXED ASSETS OFFICE

- The Fixed Assets Office is responsible for maintaining a complete inventory of all university-owned equipment purchased at an initial cost of \$1,000 or more. All transfers, disposals, or loss of equipment must be reported to the Fixed Assets Officer at extension 3492.
- Fixed assets consist of furniture, equipment, and vehicles purchased by the university with a dollar value of \$1,000 and above.
- Fixed assets are considered surplus property when the equipment in question is obsolete and/or if the cost of repair exceeds the value of the equipment or the furniture and or equipment is no longer needed in a department.



# SURPLUS PROPERTY UNIT

- The Surplus Property Unit has the responsibility of disposing of surplus materials in accordance with rules and regulations set forth by the State of North Carolina and Elizabeth City State University.

## What is Surplus Property?

- Surplus Property consists of furniture and equipment that is obsolete or no longer needed in a department. (i.e. computers, monitors, printers, desk, chairs, and tables.)
- Procedures for transfer and surplus of property are available through the Office of Procurement and Materials Management. Call extension 3492 for information.





# AMERICAN EXPRESS CREDIT CARD

- Participation in the American Express Card program eliminates the need for cash advances when traveling on official university business.
- **The American Express Card is to be used for official university travel related expenses. This is the only use of this card.**
- In order to qualify for an American Express card, you must be a permanent full time employee of the university.
- Applications may be obtained from the Director of Procurement and Materials Management.



## DINERS CARD AND PURCHASING CARD (P-CARD)

- The Diners Card is to be used for University travel (lodging, airline tickets.) We do not have an actual card. Instead, the card number is maintained in the Procurement and Materials Management office.
- The Purchasing Card is a VISA card that can be used for small purchases (under \$1000). It can also be used when vendors do not accept our Purchase Orders, for travel or in case of emergency.
- Please keep in mind that all transactions are monitored daily.



# RISK MANAGEMENT

- Risk Management is a centralized function within the Division of Business and Finance. This unit develops and directs a wide array of insurance programs.
- Employee Personal Property- the University has no coverage for employee personal items that may be broken or stolen.
- The University insurance covers state owned property or property that has been leased or is on loan to the University. The University has fire insurance for buildings and contents.
- If a department would like to insure their equipment, they can purchase All Risk Coverage.
- For more information, contact the Director of Procurement and Materials Management at extension 3492.





**QUESTIONS ?**



## *ACCOUNTS PAYABLE*

### General Overview

# ACCOUNTS PAYABLE TIDBITS

- **Need A Check.....Plan Ahead.**
  1. **Allow at least seven days prior to your event for Accounts Payable to have your check ready.**
  2. **Submit your requisition for approval.**
  3. **Make sure your request is supported with the proper documentation.**
  4. **Missing signature approvals and proper documentation will delay your request.**
  5. **Your request should be forwarded to Business and Finance (Accounting Office) for budget approval.**
  6. **The requisition will be forward to the Procurement and Materials Management office for a direct payment or a purchase order.**



## PAYMENTS PROCESSED AS DIRECT PAYMENTS

- **Membership Renewals**
- **Student Refunds**
- **Contracted Services**
- **Airline Payments**
- **Travel Advance**
- **Conference**
- **Subscription Renewal**
- **Student Stipend**
- **Hotel Payments**
- **Payroll Payments**
- **Travel Reimbursement**



## PAYMENTS PROCESSED BY PURCHASE ORDER AND CHECK PRINTING SCHEDULE

- Office equipment, supplies, furniture, vehicles, catering services, copiers, newspaper ads, publications.
- The university prints certain types of checks on certain pre-designated days:

### Check Printing Schedule

**Monday – No System Checks**

**Tuesday – Bank 3 (State Funds) and Bank 8 (Trusts and Grants)**

**Wednesday- Bank 7 (Capital Improvement)**

**Thursday - Bank 3 (State Funds) and Bank 8 (Trusts and Grants)**

**Friday– No System Checks**





## FACTORS THAT MAY DELAY YOUR CHECK REQUEST AND EMERGENCY CHECK REQUESTS

1. Lack of sufficient information.
2. Missing signature approvals.
3. Missing or incorrect budget codes.

### Emergency Check Requests

- Emergencies such as missed payroll cycles, student loans, etc. should be directed to the University Controller for approval.





**QUESTIONS ?**



## *CENTRAL MOTOR POOL*

### General Overview

## Vehicle Selection and Usage

- Elizabeth City State University's Central Motor Pool vehicle inventory consists of passenger cars, minivans, 15-passenger vans, one 25-passenger shuttle bus and two 57-passenger motor coaches.
- All Vehicles are smoke free.
- Vehicles are issued based on availability. A specific vehicle can not be requested.
- A state owned vehicle must be used for travel when available. If a vehicle is not available, one may use their personal vehicle.



## Gas Card ,Car Pooling, Rates and Billing

- Gas Credit Cards come with each Motor Fleet vehicle (Wright Express Cards)
- When employees from different departments are attending the same meeting, workshop, or conference employees must carpool. **If carpooling is not used due to personal reasons, mileage reimbursement will not be allowed and an alternate state vehicle will not be assigned.**
- A fee and mileage rate is charged for each type of vehicle to cover costs of fuel, and other operational expenses.
- When chartering a motor coach, there are additional expenses for certified drivers and if applicable, actual cost for meals and lodging for the driver.



## Vehicle Request Forms, Picking Up and Returning a Vehicle

- Forms may be ordered from Central Stores. Forms should be completely filled out with all appropriate information and correct authorizing signatures. **(This form has been updated.)**
- A traveler receives the keys for a reserved vehicle from the Central Motor Pool Office located in room 103 in the Thomas–Jenkins Building. The Central Motor Pool's office hours are: 7:30am and 4:30pm Monday through Friday
- A traveler should return the vehicle between 7:30am and 4:30pm. Monday through Friday and return the keys to Room 103 in the Thomas-Jenkins Building.



## Vehicle Cancellation, Permanent Assigned Vehicle Travel Logs

- If cancellation of a motor vehicle becomes necessary it must be made 24 hours before the departure time or the requesting department will be charged a service fee of \$30.00 for weekdays and \$60.00 for weekends and holidays.
- The cancellation form can be found in the Forms and Documents portion of the ECSU Website under Faculty and Staff. This form should be electronically submitted to [vikingtravel@mail.ecsu.edu](mailto:vikingtravel@mail.ecsu.edu).
- Travel Logs (Forms FM-12) for permanently assigned vehicles are to be filled out each time the vehicle is in use. Log entries should accurately reflect the use of the vehicle. Travel logs must be submitted on the 5<sup>th</sup> of each month to the Office of Central Motor Fleet in Room 103 of the Thomas-Jenkins Building.





**QUESTIONS ?**





*UNIVERSITY TRAVEL OFFICE*

## General Overview

# Travel Authorization and Reimbursement Forms

- The combined travel authorization and reimbursement form is intended to eliminate the extra authorization document when no travel advance has been requested.

- Please submit your Travel Authorization Form ten days before your intended travel date.

- The Travel Authorization section should be prepared prior to the start of the trip and must be signed indicating prior authorization for the trip described and any excess rates authorized. Additionally it must be dated by each divisional necessary signatory.

- The remainder of the form should be filled out promptly upon the traveler's return to the university.

- It is the responsibility of the authorizing department and the traveler to ensure that funds are available for the trip. Travelers will not be reimbursed if funds are not available.



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**QUESTIONS AND ANSWERS**

