



University of Iowa

Procure to Pay Manual

A guide to the payment process of purchased goods and services

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Purchasing Department Mission Statement

The mission of the University of Iowa Purchasing Department is to obtain and to pay for quality goods and services, at the lowest reasonable cost, while operating at the highest standards of ethical conduct. We accomplish this through cooperative team interaction and continuous quality improvement in support of the overall goals of Finance and University Services.

Accounts Payable Mission Statement

Accounts Payable/Travel is committed to working as a team to provide timely payments and quality service, with the goal of exceeding our customers' needs and expectations.

Introduction

The procurement process includes not only the ordering of goods and services and the receipt of ordered products, but extends to invoice processing and payment, involving many people and departments. Department Requesters and Initiators enter requisition information into the on-line Purchase Requisition Application (PReqs). After all departmental and Purchasing Department on-line approvals are obtained in the Workflow system, the Requisition is uploaded into our Purchasing and Payables System. This is the software system from which orders are dispatched to the vendors and which Purchasing Agents use to process Purchase Orders. Purchasing Agents also work directly with vendors to negotiate fair and reasonable contracts for quality goods and services. Accounts Payable teams process invoices and e-vouchers, generate checks for payment to vendors, and work with departments and vendors to resolve discrepancies and disputes.

Departmental Requesters fill a key role in the purchasing and payment processes. They are the liaisons between the ordering departments and the Purchasing and Accounts Payable departments. Since Requesters' names and phone numbers appear on Purchase Orders, Requesters are in many cases the first contacts between The University and the vendors. Depending on their department's organization, Requesters may be responsible for the completion and tracking of Requisitions, accounting, and receiving goods and services. Voucher report e-mails are sent directly to Requesters (or their Designee), as their names and addresses appear as the person responsible, to take appropriate action for their department. In short, The University relies on their valuable skills and expertise.

The Procure to Pay Training Manual is written for Requesters and other individuals with departmental responsibility and authority in The University's purchasing and payables processes. This guide contains references to the State Code of Iowa, Regents, and University policies, which govern the purchasing and payables processes. The Purchasing and Accounts Payable departments welcome any questions that may arise regarding these policies and procedures. Names, telephone numbers, and areas of responsibility of Purchasing and Accounts Payable staff members are included. Faxes, voice mail, and e-mail promote timely responses to your inquiries.

Methods for procuring goods and services that do not involve the issuance of a Purchase Order, including Low Dollar Transactions, E-vouchers, and Procurement Cards, are also described in this guide. All individuals acting on behalf of The University in authorizing purchases have the responsibility to ensure compliance with the applicable Federal and State statutes and Regents' guidelines.

General Purchasing and Accounts Payable, Policies and Guidelines

These policies and procedures for The University purchasing and payments processes, as detailed in this guide, are based on The University of Iowa Operations Manual, Part V. Administration, Finance, & Facilities, Chapter 11.

The Purchasing Department

The Purchasing Department administers the procurement of goods and services for all University departments by the authority delegated through the President by the State Board of Regents. The Director of Purchasing is vested with sole authority to obligate University funds, while ensuring adherence to the statutes and administrative rules of the State of Iowa and the policies and procedures of the State Board of Regents.

The Purchasing Department follows the Code of Ethics of the National Association of Educational Procurement (NAEP), the association serving the purchasing and materials management professionals of higher education and not-for-profit health care organizations. See [Appendix I](#) for NAEP Code of Ethics.

The Accounts Payable Department

The Accounts Payable and Travel Department is responsible for auditing and processing accurate and timely payments to vendors and individuals. Transactions include vendor invoices, individual reimbursement, freight, Procurement Cards, prepayments, meeting registrations, plus travel expenses and advances. Payments are made daily. Accounts Payable staff works directly with departments and vendors to ensure proper policies and procedures are followed. The payment process involves application of credit memos, reviewing vendor statements, resolving discrepancies, depositing refund checks, and providing customer service. Accounts Payable maintains records of all checks and vouchers.

Responsibility for Obtaining Pre-Approvals and Signatures

A minimum of two electronic signatures on Purchase Requisitions (PREqs) transactions is required at the departmental level. This would include the Initiator of the requisition and one other person, perhaps the department head or other administrator authorized to sign. The Workflow Systems tracks the creator and editors of the document.

Departments are responsible for obtaining all required approvals in Workflow before routing Requisitions to Purchasing. Requisitions and Vouchers without the proper approvals will be returned to the issuing department. The department signature or on-line approval signifies that the department has reviewed the charges and that they are accurate and appropriate.

Responsibility for Validating Master File Keys (MFKs)

The department is responsible for submitting the correct MFK for purchases and payments of goods and services. Requisitions and Vouchers received without an MFK or with an invalid MFK will be returned to the Requester for correction.

In order for an MFK to be valid, all eleven elements must be established on the General Ledger M chart of values, and it must meet certain element combination requirements. For more information regarding MFK validation or establishing a new MFK, call your Organizational Unit Contact person or contact Accounting Services at 5-0062.

Tax Exemption

The University of Iowa is exempt from paying Sales or Use Taxes in the State of Iowa and for goods shipped to Iowa from other states. The University is liable for Sales and Use Taxes on goods or services consumed in most other states. (See <http://tax.fo.uiowa.edu/content/sales-tax> (UI Controller's website for listing of exceptions.) Use the [Iowa Sales and Use Tax Certificate](#) to download, complete and send to any new vendors, or send at their request.

Customs and Foreign Orders

When ordering scientific instruments, educational or other goods from foreign countries, Departments must apply for duty-free entry into the United States. For information on how to apply for duty-free entry, contact the one of the brokers below.

Make a note on your Requisition for foreign vendors to use the following broker for Customs clearance.

Scan Global Logistics, Inc. – Chicago

1254 Mark Street

Bensenville, IL 60106

Phone: 630/616-8800

Fax: 630/616-8801

Website: <http://www.scanlogistics.com>

Contacts:

Import Account Manager –Jennifer Hamm

jeha@scanlogistics.com

Export Account Manager –Nicole Roberts

niro@scanlogistics.com

Contact a Purchasing Agent for further information or questions.

Gratuities, Conflict of Interest and Federal Anti-Kickback Legislation

By law University employees are prohibited from receiving any gift, token, membership, gratuity, or service from a vendor, as related to any purchase made on behalf of The University of Iowa. Immediately notify your supervisor(s), The University's Internal Auditor, or the Office of the State Auditor if you become aware of any state employee or vendor involved in the purchase or bid process accepting or offering a kickback, gift, token, membership, gratuity or service of any kind that might compromise the buyer-vendor relationship. (See [Appendix H](#) for further reference information.)

Iowa Code 68B.3: When public bids required -- disclosure of income from other sales.

An official, a state employee, a member of the general assembly, or a legislative employee shall not sell, in any one occurrence, any goods or services having a value in excess of two thousand dollars to any state agency unless the sale is made pursuant to an award or contract let after public notice and competitive bidding. This subsection shall not apply to the publication of resolutions, advertisements, or other legal propositions or notices in newspapers designated pursuant to law for the publication of legal propositions or notices and for which rates are fixed pursuant to law. This subsection shall also not apply to sales of services by persons subject to the requirements of this section to state executive branch agencies or subunits of departments or independent agencies as defined under section 7E.4 that are not the subunit of the department or independent agency in which the person serves or is employed or are not a subunit of a department or independent agency with which the person has substantial and regular contact as part of the person's duties.

For purposes of this section, "services" does not include instruction at an accredited education institution if the person providing the instruction meets the minimum education and licensing requirements established for instructors at the education institution.

An official or member of the general assembly who sells goods or services to a political subdivision of the state shall disclose whether income has been received from commissions from the sales in the manner provided under section 68B.35.

Prohibition on use of Purchasing or Payment Procedures for Personal Purposes

The personal use of the purchasing or payment process is prohibited by law and can result in discipline, up to and including dismissal from employment.

The Vendor Database

The University of Iowa maintains a database of all vendors and individuals receiving orders or payments.

Data is provided by vendors and individuals who fill out a Vendor Application (VAF) with their Tax Identification Number (TIN). A TIN is either the Federal Employer Identification Number (FEIN) or Social Security Number (SSN). This information is needed due to IRS reporting requirements.

Vendors are also asked to include additional information on the VAF for other governmental reporting purposes, or to help Purchasing better serve the departments and vendors. This information includes whether they are a Small Business or Targeted Small Business, what commodities they sell, their organization and business type, and their phone and fax numbers.

U of I employees receiving reimbursements do not fill out this form. However, all vendors and non-employees should fill out a VAF if located within a 50-mile radius of Iowa City. This step helps manage Conflict of Interest situations.

Before an order can be placed or payment made, the VAF must be received by Purchasing and entered into the Vendor Database.

If a vendor is not in the Vendor Database, the Requester should email, fax or mail a Vendor Application Form to the new vendor or individual (non-employee) receiving a payment. You will find the Vendor Application Form on our website at www.uiowa.edu/ap-purchasing/conflict-interest-purchasing

Reasons for vendor application requirements:

- University of Iowa business policy
- Additional vendor information such as EDI, phone/fax numbers and commodity information is maintained.
- TSB (Targeted Small Business) reporting requirements.
- Local vendors are reviewed for possible Conflict of Interest situations. See www.uiowa.edu/purchasing/, click on Vendors.
- SBA (Small Business Administration) information is maintained in vendor database. www.ccr.gov/

PReqs

When preparing a requisition that is going to an outside vendor, users will use the Purchase Requisitions Application (PReqs) on the FUS Self Service page at <https://hris.uiowa.edu/portal/> under Purchase Requisitions Production. This application includes a vendor search which allows users to look up vendors or names to find the vendor number, order address, phone and fax numbers.

PReq Vendor Search Tips

- In searching for vendors remember “Less is Best” and yields more results. Address searches will not be found unless a direct match to the system. *Tip: When searching for addresses, leave off Road/Rd, Street/St, Avenue/Ave, Suite/Ste etc. Doing this should produce more match results.*
- Remember to search for DBA’s in the Address field.
- Initiators can expedite the PReq process by researching vendor prior to creating the PReq. If the potential vendor is not in the vendor database, the initiator can click on Vendor Application form link within PReqs.
 - Fill out the cover sheet.
 - On the Vendor Application Form by U of I Vendor number field enter or handwrite “PReqs”.
 - At the bottom of this form within Office Use Only
 - Requester field – enter the Initiator/Requester name.
 - Requester address field – enter Initiator/Requester phone number.
 - Date Sent field – enter the date you faxed the Vendor Application to the vendor.

The above information will help the Vendor Team identify why the VAF has arrived Purchasing. Vendor Team will contact the Initiator/Requester with the vendor number after the VAF has been approved on the database.

AP/PO Web Pages

Users may look up vendor information using the AP/PO Web pages to find the vendor number, order address, phone and fax numbers. This is accessed via the self-service portal at: <https://hris.uiowa.edu/portal/>.

CAUTION: SEARCHES FROM THE AP/PO WEB SITE WILL DISPLAY UNAPPROVED AND INACTIVE VENDORS AS WELL AS APPROVED VENDORS. BECAUSE OF THIS, WE RECOMMEND YOU USE THE PREQ VENDOR SEARCH.

If you need assistance, contact the vendor team. Email: purchasing-vendor@uiowa.edu.

Tip: The Class R, E and A on the AP-PO web site refer to a classification field in the Purchasing and Payables System.

- R represents Supplier
- E represents Employee/Student
- A represents Attorney

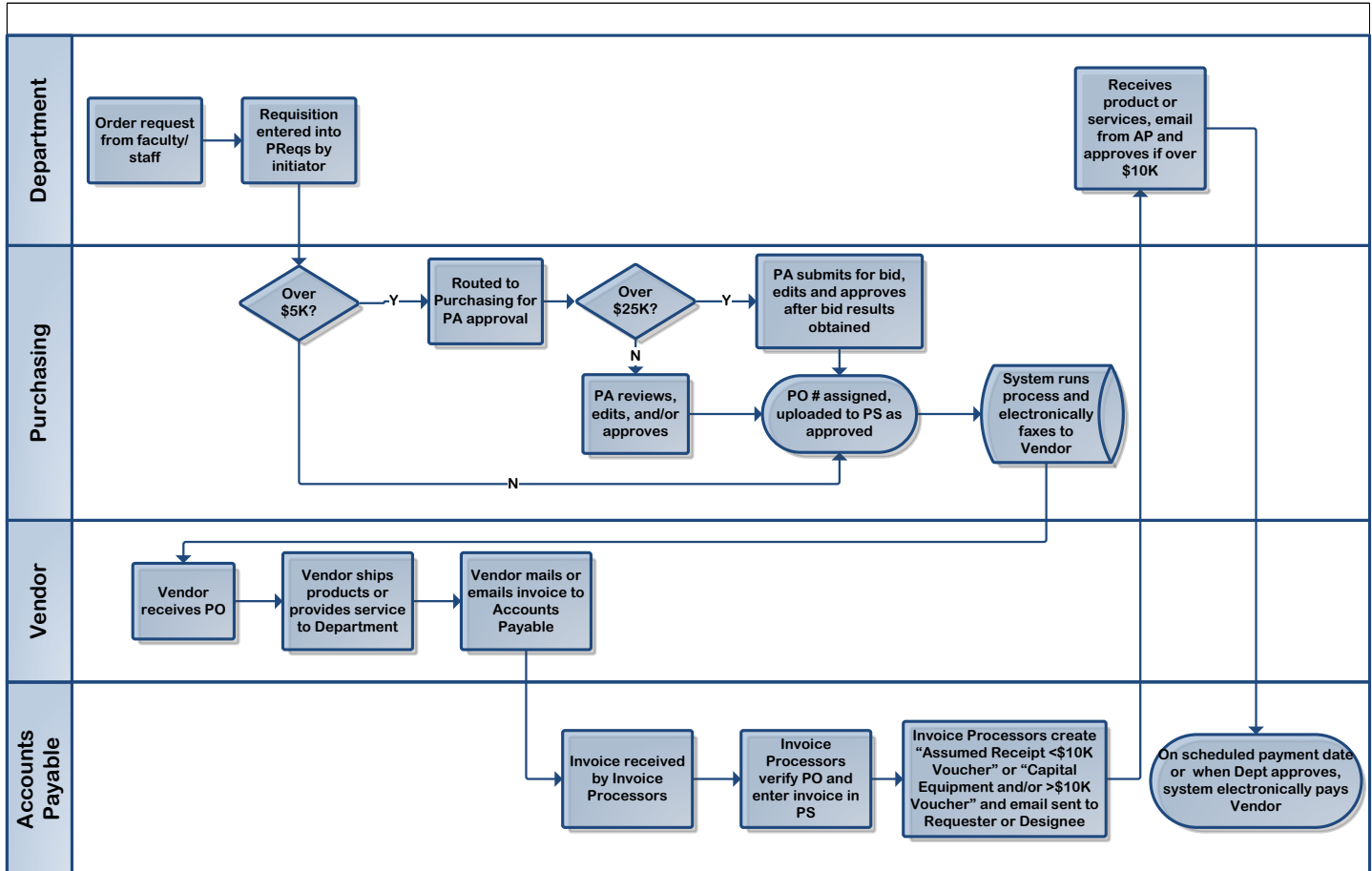
*The * before the vendor's name means Inactive vendor.*

Vendor Name Change – for individuals, excluding UI employees or students. To change the name of an individual already in the Vendor database, you must complete and sign the top half of the Request for Change of Name form and forward to Purchasing Vendor Team. www.uiowa.edu/ap-purchasing/department-forms

Contact the Vendor File Team for assistance and any questions or help you may need at purchasing-vendor@uiowa.edu.

Ordering Goods and Services Via Purchase Order

Purchase Order and Payment Process



The Purchase Requisition Process

Departments enter Requisitions for goods and services into the Purchase Requisitions Application (PReqs) on the FUS Self Service page at <https://hris.uiowa.edu/portal/> under Purchase Requisitions Production. The information required on the Requisition form varies depending upon the type of order, however all required fields must be completed. The Requisition is validated and submitted to Workflow for the department approvals. After the departmental approvers have approved the requisition, the requisition is then routed to Purchasing via Workflow. Requisitions less than \$5000 are completed, and a Purchase Order number is assigned, after all of the departmental approvals are obtained.

Requisitions \$5000 and greater are routed to the Purchasing Agent after the final departmental approval. The Purchasing Agent reviews and edits the requisition, and approves it in Workflow. The purchase order number is assigned and the PReq is then uploaded to the system as an open purchase order. Orders are then approved in the system, printed, and dispatched to vendors. (Note: Under normal circumstances Confirming Purchase Orders are not sent to vendors.)

The printed Purchase Order contains the Requester name and phone number and the Purchasing Agent name and phone number. If a question arises, the vendor may contact either the Purchasing Agent or the Requester.

After the invoice has been received and processed by Accounts Payable, a voucher is created. After approval of the voucher by the department, a check for payment is issued to the vendor.

Purchase Requisitions Tutorial

To view step-by-step instructions for completing a requisition on the Purchase Requisition (PReqs) System see the on-line tutorial at www.uiowa.edu/ap-purchasing/preqs

Facilitating the Purchasing Process

- Plan Ahead - Allow 30 days or more for Requisitions for purchases over \$25,000, which will require competitive bidding. For large capital equipment purchases or projects requiring the purchase of multiple pieces of equipment, contact Purchasing well in advance with specifications and lists of potential bidders. Capital equipment requests \$250,000-\$1,000,000 must be submitted to the Board of Regents Executive Director for review and approval prior to order writing. Capital equipment requests in excess of \$1,000,000 must be put on the Board docket and approved by the Regents at their monthly meeting.
- Vendor - Prior to starting a Requisition, plan ahead and do a vendor search in PReqs. PReq vendor searches will only show Active, Approved vendors. <https://preqs.its.uiowa.edu/preqs/>
 - Create New Req.
 - Click the Magnify Glass
- Search vendor - Search for vendors ahead to discover they are not on the system will allow plenty of time to:
 - Send out Vendor Application Form
 - E-mail purchasing-vendor@uiowa.edu for help
- Enter Requisitions completely and accurately on the PReqs System at <https://hris.uiowa.edu/portal/> under Purchase Requisitions Production
- All fields on the Requisition form are required except for the Comments section.
- A 10-digit Requisition number is assigned electronically to each requisition. Example: W000000001. Requisition numbers begin with W.
- Indicate if the item pricing is quoted. Reference quote number and/or person providing quote. Put this information in the line item field or in the Vendor comments field.
- If pricing is estimated, enter a comment in the Internal Comment field. Departments should attempt to get firm pricing before approving orders under \$5000.
- Orders under \$5000 are not routed to Purchasing for approval. A Purchase Order number is assigned to the Requisition after the last departmental approval.
- The Purchase Requisitions system will not allow zero amount Purchase Orders.
- Orders \$5000 and over are routed to the Purchasing Agent. After the Purchasing Agent approves the order a Purchase order number is assigned.
- The Item Description should include, where applicable, the vendor product number, catalog number, item and/or model number(s). This number should be first in the Item Description field, followed by descriptive text.
- If no product, catalog, or model number is available, provide a complete description.
- Be precise when specifying the quantity and the corresponding unit of measure. Is the box of 12, 24 or 144? Make sure the unit price is accurate for the quantity and unit of measure you have indicated.
- – Purchasing will not send a purchase order that has been previously placed with the vendor verbally, via fax, or by email. This includes all orders placed on a vendor’s website and orders already received and/or invoiced. Select “Yes” if you place order directly with the vendor.
- A minimum of two electronic signatures on the Requisition Form is required at the departmental level.
- Attachments Box – Check this box if the attachments need to be sent with the Purchase Order to the Vendor. Scan and upload to the Req.

Entering and Processing Freight Charges

The default Freight Terms are DEST-UI. These terms may be overridden if either the department or vendor specifies other terms. The following Freight Terms are available in the Purchasing and Payables System:

- Dest-UI (FOB Destination, U of I pays freight, vendor owns goods in transit.)
- Dest-VNDR (FOB Destination, Vendor pays freight, vendor owns goods in transit.)
- Origin-UI (FOB Shipping Point, U of I pays freight, U of I owns goods in transit.)
- Origin-Vdr (FOB Shipping Point, Vendor pays freight, U of I owns goods in transit.)

If freight terms other than the Default are to be used, please indicate in the Internal Comments section of the PReq.

Departments are strongly encouraged to set up individual accounts with UPS, Federal Express, and Airborne for freight charges. These carriers have negotiated contracts with the University of Iowa. Departments can take advantage of discounted rates if they charge their freight to University account numbers. These rates are most often lower than the rates paid when vendors charge freight to their own accounts and add the charges to their invoices. University freight accounts can be used for both outbound and inbound freight.

Freight account numbers can be obtained from the Accounts Payable Department. Access the form at: www.uiowa.edu/ap-purchasing/freight

Once you have set up freight accounts for your department it is important to provide these account numbers to vendors when you place orders. Enter the number on the PReq under "Freight Account"

The Freight Terms default from the Purchase Order to the Voucher.

Freight is entered into the "Freight" field on the Voucher unless it was entered as a line item on the Purchase Order.

If entered as a line item, the freight is entered on the Voucher as a payment against that line. (Note: If a vendor sends more than one invoice for the Purchase Order and freight was entered as a line item, only the first freight payment can be processed against that line. Subsequent freight charges will have to be entered into the "Freight" field on the Voucher.)

The Purchase Order and PO Report

The Purchase Order is generated from a Requisition.

Three times daily, the status of all Approved purchase orders in the system is changed to Dispatched. These orders are then electronically faxed or emailed to the vendor by Purchasing.

Confirming orders are not sent to vendors. If a department wants a less than \$5000 confirming order mailed or faxed to the vendor they must email Purchasing at Purchasing-ReqPO@uiowa.edu with the Purchase Order number, address or fax phone. The vendor receives a faxed or original Purchase Order

View the PO Report on-line on the AP/PO Web Application. Check it for accuracy. Contact the Purchasing Agent at once to report any discrepancies. See the Purchasing Department web site for Staff Listing

Catalog Orders

The **Catalog Order form** via PReqs is used for Items Sourcing from a Warehouse and Items Sourcing from a Vendor that have a PeopleSoft UI Item number. With this form you will be able to place orders for items without knowing or caring if they are stocked in the warehouse or purchased from an external vendor. The system will make this determination and create multiple requisitions when necessary. Currently there are items set up for warehouse ordering at UIHC, General Stores, Dentistry Stores, Biochemistry Stores, and University Housing. New items can be set up by contacting the Catalog/Items Team at purchasing-items@uiowa.edu.

eBuy Orders

eBuy is accessed via PReqs and is an easy-to-use central web-based shopping site. eBuy will be accessible to all UI employees for the procurement of goods from select contracted suppliers. eBuy simultaneously streamlines the procurement process and promotes “best value” pricing. Shoppers search for products from Hosted or Punchout catalogs.

- **Hosted** catalogs are “housed” directly in eBuy using the University’s server. There is no redirect to access the supplier’s commodities. All search function will span across hosted catalogs.
- **Punchout** catalogs are accessed online via a supplier’s external website. The user “punches-out”, or exits, eBuy to search and select products from a supplier’s web site catalog, with specific UI pricing, then returns the items to an eBuy shopping cart.

Additional Purchase Order Types and Procedures

Orders Less Than \$5000

On requisitions less than \$5000.00 the purchase order number is assigned after the last departmental Workflow approval. These requisitions are not routed to Purchasing for approval. This will allow departments to obtain their PO numbers in a timely fashion and should eliminate the need for obtaining advance PO #'s from Purchasing for rush or emergency orders. After the Purchase Order number is assigned, the PReq is uploaded to the system. The Purchasing Dept electronically sends PO to the Vendor.

Remember check the box “Confirming Order Do not duplicate” on the PReq if you intend to place the order with the vendor as soon as you obtain the PO #.

Orders Greater Than \$5000

The PO number for orders \$5000 and over is assigned after the last Purchasing Department approval in Workflow. This will typically be the Purchasing Agent. However, orders \$25,000 and over also require approval from the Director of Purchasing.

A Blanket Order is a Purchase Order from which goods and services may be purchased over a given period of time rather than in a single transaction. Contact your Purchasing Agent for more information about Blanket Orders. Blanket Orders differ from standard Purchase Orders as follows:

Blanket Orders:

- Twelve vouchers/invoices or
- \$5000 per year minimum
- contract or non-contract
- are not to be used for the purchase of equipment items
- encumber funds
- may have limits on dollar amounts set by your department
- One MFK

Completion of Blanket Order Requisitions

In addition to the standard Requisition procedures, keep in mind the following when preparing a Blanket Order Requisition:

- Most Blanket Orders contain only one line item.
- Include any special instructions in the Item Description.
- Item Descriptions should begin with "Blanket Order for ..." and contain size, packaging requirements, or any other pertinent information to help the Purchasing Agent bid the product. The Purchasing Agent will pursue competitive

pricing, review existing/shared contracts and/or negotiate pricing with vendor on all blanket order requisitions for \$10,000 or more annually.

- Blanket Orders must have a minimum of \$5000, if the annual spending is under \$5,000, consider using the Procurement Card instead.
- Blanket orders, not supported by a price contract, are intended for low dollar, regularly purchased goods/services. The dollar maximum for each transaction must be less than \$5000. If a department has a per transaction limit, (i.e; \$500 or less per transaction), this should be stated in the body of the PReq
- If the Blanket Order replaces a current order, insert "Replaces P.O.# ____" in the Item Description box.
- Submit quotations, contracts, special information, order blanks, renewal notices, invoices, potential vendors, or any other miscellaneous items to Purchasing. Note these in the Internal Comments area.
- Blanket orders will be set up with freight terms of FOB destination for items under 250lbs. FOB Destination tells the vendor to charge the freight against The University contract. The contract rates are available to the entire campus. Instructing the vendors to use The University contract can save 30 to 50% on the freight costs. The department should include their Federal Express or UPS freight account number on the PReq.
- Blanket orders can only have one MFK. The department is responsible for reviewing and reissuing blanket orders whenever there is a change in department leadership or a change in the MFK who key.
- The dollar amount on a blanket order does not print on the Purchase Order that is sent to the vendor.
- At a PA's discretion, a blanket order may be closed for minimal activity. Minimal activity is defined as annual spend of less than \$5000 or 12 transactions. The Requester will be contacted when a blanket order is closed.
- All blanket orders, not supported by a price contract, with a PO date older than two years will be reviewed by the Purchasing Agent (PA) to determine whether the blanket PO should be closed, reissued with an estimated annual spend, or bid. The PA will review campus wide spending for like items on blanket orders and Procurement Card purchases.

Invoicing against Blanket Orders

Invoices are entered as Vouchers against the Blanket Order, generating an expense on the Statement of Accounts. In cases where more than one MFK is assigned to the Blanket Order, Accounts Payable processes the amount of the invoice to the first MFK only. This is done because at the time the Voucher is created Accounts Payable has no way of knowing how the department will want the charges split. Due to this fact, we **highly recommend** the following:

- One MFK per Blanket Order
- Set up a separate Blanket Order for each MFK if a small number of MFKs are being used
- Use of a clearing account on Blanket Orders where many different MFKs are involved

MFK Corrections on Blanket Orders

The MFK distribution on the Voucher can be changed after the Voucher is created. Corrections to voucher MFK distributions must be done with Change Vouchers to the General Ledger. Departments are encouraged to process their own CVs using the Web <http://www.bo.uiowa.edu/~ap-po> or the online General Ledger Support (GLDSS). For more information on the Web CV applications, contact Accounting Services at <http://afr.fo.uiowa.edu/>.

MFK changes can also be made in the system to the Blanket Order itself. However, changes made to the Purchase Order record affect future Vouchers only. As stated above, Vouchers already created must be CV'd to correct the MFK. Requests for changes to the MFK on the Purchase Order record should be directed via email to the Purchasing Agent of record on the order.

Note: When an MFK closes, the department should notify Purchasing in writing to change the MFK on all Blanket Orders. In some cases, if the Blanket Orders are old the department may be asked to submit requisitions to create new Blanket Orders on the new MFK. (Grant flips are handled by the accounting program and do not require MFK changes to the Purchase Order.)

Closing Blanket Orders

The closing of Blanket Orders occurs by one of the following actions:

- The department instructs Purchasing to close the order. This should be done if the department is no longer using the order. Departments must be sure all outstanding invoices relating to the Blanket Order have been received and vouchered before requesting an order to be closed.
- Blanket Orders created from an RFQ should not be used after the contract period has expired. Once all invoices associated with the Blanket Order have been vouchered, the order should be closed. The system does not automatically close the order based on the contract dates. The Purchasing Agent and the departmental Requester must monitor these dates to ensure the contract is re-bid at the proper time.

Competitive Bidding

Competition in a free marketplace provides the best value for the consumer. By encouraging competition among viable vendors, we ensure The University obtains goods and services at the best possible cost and quality.

The State Code of Iowa, Federal law and the State Board of Regents mandate competitive bidding for University goods and services to ensure fair and open competition. The two most effective methods of competitive bidding are the Request for Quotation (RFQ) and the Request for Proposal (RFP). These methods provide:

- Increased savings
- Exact communication of wants and needs
- Equal and fair access to all qualified vendors
- Compliance with University, Regent, State and Federal acquisition regulations and laws
- Improved information provided by vendors
- Objective evaluation for awards
- Services of an experienced purchasing professional
- An established contract under which the vendor is legally obligated to perform

The Request for Quotation (RFQ) is used for acquisitions based solely on cost. The University issues Requests for Quotations (RFQs) for all goods and services or Professional Services greater than \$25,000, unless a sole-source justification is received and approved. At the Purchasing Agent's discretion, an RFQ may also be issued for goods and services less than \$25,000. The Purchasing Agent routinely obtains several quotes, seeking the best price available. Purchasing Agents, in concert with the end users, develop specifications and send the RFQs to potential vendors. Vendors may then reply with a bid showing exact price, shipping costs, delivery schedule, payment terms, and other particulars. Purchasing makes the award to the vendor who submits the lowest priced offer whose product meets or exceeds the specifications stated in the RFQ. There is no discounting or manipulation of prices for products that exceed the specifications.

Contact the Purchasing Agent if you have any questions or concerns about a bid, a chosen vendor, or a low-bid product or service.

The Request for Proposal (RFP) is used for acquisitions based on factors in addition to price. Examples include capabilities, performance, support, service, and maintenance. It is difficult, if not impossible, to always place an exact dollar figure on the value of these characteristics and services. The University uses a statistical assessment method as the standard for making awards based on many factors. The preparation of an RFP is an involved process, often taking weeks or months to generate a precise evaluation. Requesters should plan for this type of acquisition well in advance. The Purchasing Agent shall award the contract to the vendor whose proposal is in the best interest of the University.

Professional Service Agreements are contracts for unique, technical, and/or infrequent functions performed by an independent contractor qualified by education, experience, and/or technical ability to provide services. In most cases these services are of a specific project nature, and are not a continuing, on-going responsibility of the institution. The

services rendered are predominately intellectual in character even though the contractor may not be required to be licensed. Professional service agreements may be with partnerships, firms, or corporations as well as with individuals.

Professional service agreements for greater than \$25,000 must be selected through a competitive Request for Proposal (RFP) process unless the service is a sole source purchase that is appropriately documented. The \$25,000 threshold is not based on a one-time cost, but rather on a cumulative cost for on-going services under the terms of the project engagement. Professional service agreements, which are less than \$25,000 over the course of service, may be entered into without using the required competitive bidding process. Total payment to a professional services provider for services provided to any one University department may not exceed \$25,000 in a fiscal year, unless subject to competitive bidding or review and approval by the institutional purchasing department. Selection of a professional service provider shall be based on a variety of criteria including, but not limited to demonstrated competence, knowledge, references and unique qualifications to perform the services, in addition to offering a fair and reasonable price that is consistent with current market conditions. Additional criteria may be used as appropriate to the circumstances.

Equipment

Moveable equipment is defined as any moveable property valued at a unit acquisition cost of at least \$5000 which is identifiable, is not a replacement part, and has a useful life of one year or more.

Fixed equipment is defined as permanently affixed/installed furniture, fixtures and equipment. Examples include but are not limited to: elevators, kitchen cabinets, laboratory casework, building directories, library shelving, drinking fountains, signage, plumbing fixtures, building mechanical systems, fixed electronic equipment, and fixed theater or classroom seating, as well as other fixtures and equipment installed with the intent of permanent use in that location. Fixed equipment, which is part of a capital project, is exempt from the requirements of the following subsections.

Equipment purchases are subject to the following review procedures prior to the issuance of a purchase order or any other purchase commitment by the institution.

Equipment with a unit cost of less than \$250,000 or a total purchase cost less than \$500,000 will be purchased by the chief business officer of each institution, acting through the institutional purchasing agent, as outlined in Section B of this Policy Manual.

Equipment with a unit cost greater than \$250,000 or a total purchase cost of \$500,000 to \$1,000,000 will be submitted to the Board Office for approval. The Executive Director will notify the Board of such actions. At the discretion of the Executive Director, the equipment purchase may be submitted to the Board for approval.

Equipment costing more than \$1,000,000 will be submitted to the Board for approval.

The Executive Director may approve emergency purchases which exceed \$1,000,000 to be followed by Board ratification. Emergency purchases are defined in IAC 681-8.9(4).

Any request submitted to the Board Office for approval pursuant to sections 2 and 3 of this policy will include the following information regarding the equipment to be purchased.

- Description of the equipment.
- Justification of the need for the equipment.
- Any known alternatives to the equipment proposed.
- Estimated cost and source of funding.

Trade-In Equipment

If you are trading in University of Iowa tagged equipment against a new purchase, create a separate line item and include the Property Management tag number in the item description field and the trade-in amount, as a negative dollar amount, in the extension field on the Requisition form. Property Management uses this information to remove assets and to correctly record the amount of the newly purchased equipment in the asset books for your department, or “in The University ledgers.”

If disposing of U of I tagged equipment, be sure to complete the Surplus Form and route to Property Management to review and pass on to Surplus. Surplus will assist departments in reselling equipment or disposing of obsolete equipment. Depending on the type and value of the item being resold, a percentage of the proceeds may be returned to the department. Contact Surplus at www.uiowa.edu/uipurplus for more information.

For additional information on disposing of equipment, see The University of Iowa Operations Manual, Part V, Chapter 12 at www.uiowa.edu/~our/opmanual/v/12.htm#125

Obtaining Equipment on a Trial Basis

Due to a variety of legal factors, including risk of loss, liability, audit trails, ownership, etc., the following protocol has been established to assist University departments wishing to test or evaluate equipment prior to purchase:

Equipment requested by University departments from vendors on a trial, loan, demonstration, or evaluation basis does not constitute a commitment to purchase said equipment. The requesting department must inform Purchasing before any equipment with a fair market value exceeding \$10,000 is to be tested or evaluated for more than five days.

Vendors wishing to make arrangements for demonstrations of their product or equipment must coordinate these plans with the appropriate Purchasing Agent. The individual receiving the equipment for their department submits completed Equipment on Loan or Demonstration Agreement form to Purchasing prior to accepting the equipment for demonstration, testing, or evaluation.

User department personnel should not indicate to vendors that the loan, demonstration, testing, or evaluation of equipment constitutes a preference for that equipment or will result in an order to purchase that equipment. Competitive purchasing processes will be used as required by University policies and procedures. If the vendor who loaned the equipment is the successful vendor, new equipment must be supplied unless alternate quotations were allowed for or requested in the competitive purchasing process.

All moving, handling, transportation, and applicable installation costs associated with equipment of this nature are the sole responsibility of the vendor. The University will not incur any costs associated with equipment on trial, loan, demonstration, test or evaluation.

In the event of a loss, the department will contact Risk Management for instructions and claim forms.

Zero dollar requisitions for trial basis equipment cannot be entered into the PReqs system. Contact the Purchasing Agent for assistance with orders for trial merchandise.

For a copy of the Equipment on Loan or Demonstration Agreement form see www.uiowa.edu/~eforms/prch/eldaf.pdf

Sole Source Purchases

Occasionally, a case will arise where the normal competitive bidding process is not beneficial. These exceptions fall under the guidelines for Sole Source acquisitions. A Sole Source acquisition is a method of purchasing goods or services with an estimated value greater than \$25,000 without issuing a formal RFQ or RFP. The Sole Source form is part of the Purchase Requisitions (PReqs) Application.

Valid reasons for allowing a sole source purchase can be found at www.uiowa.edu/~our/opmanual/v/11.htm#119 and may include the following:

- Research continuity
- Product upgrade
- Competition not available
- Critical service/support requirements

The Purchasing Agent has the authority to approve or reject the justification. Approval does not preclude the Purchasing Department from securing a formal quotation for the product or service. Purchasing Agents are empowered to negotiate more favorable agreements or solicit better pricing, terms, and conditions.

Auditing of the Competitive Bid Process

The Office of Naval Research (ONR) has Federal audit responsibility for all federal funds granted to The University, and the equipment obtained with those funds. Every 2-3 years ONR audits The University of Iowa purchasing system and equipment inventory system to evaluate compliance with Federal Acquisition Regulations. The results of this audit determine The University's eligibility to compete for Federal funds. The ONR regional audit offices recommend approval or disapproval of these systems to other Federal agencies based upon their audit findings regarding the degree of The University's compliance. The State Auditors and our own Internal Audit staff also ensure frequent, thorough review of our processes.

Professional Service Agreements

Professional Service Agreements are contracts entered into to aid University of Iowa departments in carrying out their programs/missions. These Agreements cover unique, technical and/or infrequent functions performed by an independent contractor qualified by education, experience and/or technical ability to provide services. In most cases these services are of a specific project nature, and are not a continuing, on-going responsibility of the department, except in the broadest sense. The services rendered are predominately intellectual in character even though the contractor may not be required to be licensed. Professional service agreements may be with partnerships, firms or corporations as well as individuals. Examples of professionals who provide professional services include but are not limited to: doctors, accountants, engineers, software programmers, real estate appraisers, nurses, guest artists, guest entertainers, guest lecturers, guest musicians, guest performers, and guest speakers.

Architectural, engineering, and consulting services related to the planning, design, engineering, and construction of facilities must be retained through the University's Facility Services Group.

To determine whether the service provider should be considered a University employee vs. an independent contractor; contact the University of Iowa Human Resources Department.

Selection of a Provider

Professional service agreements, which are less than \$25,000 over the course of service, may be entered into without using the required competitive bidding process. The \$25,000 threshold is not based on a one-time cost, but rather on a cumulative cost for on-going services under the terms of the project engagement and is based on a fiscal year period. Professional service agreements written to individuals for services beyond one year must be reviewed to determine the absence of an employer-employee relationship. The requesting department must have the supplier of services sign the Professional Service Agreement found at the University of Iowa's Purchasing web site. No changes can be made to this agreement form without prior approval from the University's General Counsel or Purchasing Department. Contact the General Counsel's office for an addendum if any changes to the agreement form are needed. This agreement and any addenda must accompany the voucher and invoice form when requesting payment. The Director of Purchasing is authorized to sign these agreements. For assistance with any aspect of this process, please contact the Purchasing Department.

Professional service agreements greater than \$25,000 must be selected through a competitive Request for Proposal (RFP) process or the department must submit a Sole Source Justification to Purchasing for approval prior to services being rendered. The RFP process ensures the most qualified individual or firm for a particular job is selected and that proper procedure is followed, as required by The Board of Regents.

Selection of a professional service provider is based on a variety of criteria including, but not limited to, demonstrated competence, knowledge, references, and unique qualifications to perform the services, in addition to offering a fair and reasonable price that is consistent with current market conditions. Additional criteria may be used as recommended by Purchasing or appropriate to the circumstances. Upon completion of the evaluation of qualified proposals and when selection of a successful vendor has been made, the Purchasing Department will issue a Memorandum of Agreement.

Scope of Work

The Scope of Work documents all elements of the work and magnitude of the project, reflecting the mutual understanding of the parties. The scope of work must be consistent with the project and services described in the Request For Proposal (RFP). The scope of work should be attached to the Memorandum of Agreement or incorporated into the agreement by reference to a specified RFP document.

Contractor Accountability

Work requirements should clearly define all performance objectives, work expectations and project milestones, and hold the Contractor accountable for successful completion of the resultant agreement. Requirements may include, but not be limited to, reports, training sessions, assessments, evaluations, or other tangible services.

Terms and Conditions for Professional Service Agreements

Special terms and conditions for professional service agreements are those that include elements that may go beyond many others routinely included in the University's standard contractual Terms and Conditions, such as those specified in h-m below. Iowa law mandates that these terms be included in all agreements for professional services.

Performance Requirements

Performance requirements should be precise and written in such a way that it could easily be determined if and when the contractor has successfully fulfilled his/her obligations under the Agreement. Consequences for noncompliance such as non-payment and/or termination of the contract must also be defined. Scheduled due dates that specify milestone targets must be clearly identified and may include, but not be limited to, regular meetings scheduled to evaluate progress, identify problem areas to determine actions to be taken to resolve any concerns, dates for formal written reports, required oral progress reports, and contract monitoring requirements.

Period of Performance

The resultant agreement must specify a start date and a completion date. While there may be exceptions, in most circumstances an end date to the agreement will be required. If an end date cannot be determined, a maximum time limit or maximum number of hours must be stated.

Agreements with organizations are typically written for a specific term of successive years. In some instances, these agreements are annually renewable. Other provisions of an agreement may include a renewal clause beyond the original term of the agreement.

Extended term agreements for individuals are discouraged and departments should discuss their needs with the University of Iowa Human Resources Department.

Compensation and Payment

Compensation and payment terms include all elements relating to cost and payment, such as maximum cost, (i.e., not to exceed cost), cost per deliverable, hourly rates for individuals providing services, number of hours required, allowable expenses and total authorized for expenses, payment, and invoicing procedures. The University ordinarily does not prepay costs for professional services. Any exception to this policy must be forwarded to and approved by the University Controller. Additionally, compensation and payment terms should also include a statement as to whether the University will pay expenses incurred by the Contractor and, if so, which ones. Such expenses may include, but not be limited to, airfare (economy or coach class), lodging, and subsistence necessary during periods of required travel; expenses incurred during travel for telephone, copying and postage, and private vehicle mileage. If other types of expenses are allowed, they must be clearly defined.

All travel expenses must be documented in writing and are reimbursed at the current University travel reimbursement rates and in accordance with the University's travel policy. The agreement should state the maximum dollar amount allowable to be paid for expenses. Invoicing instructions should be included in the agreement.

The agreement should define the information and documentation required justifying payment. At a minimum, payment documentation should include the agreement request for proposal number, purchase order number, date(s) service was provided, description of services provided or any goods received, and approval for payment.

The approval for payment can be documented by the initials of the approving staff and date on the contractor's invoice, or by an electronic approval process.

The University reserves the right to withhold ten percent (10%) from any payment requested until the University makes acceptance for completion of the services rendered.

The agreement should state how often invoices should be submitted and require that the invoice include sufficient detail and back-up documentation to determine the appropriateness of the charges.

All invoices must be sent to the University of Iowa Accounts Payable Department, 202 PCO, Iowa City, IA 52242-1460.

Performance Monitoring

The department project managers should monitor the compliance of the terms and conditions of the agreement and applicable laws and regulations. Monitoring will help prevent non-compliance by identifying and resolving potential problems and by providing constructive and timely feedback to the Contractor. In addition, the project managers should assess the Contractor's progress towards deadlines and completion of work, to ensure the project's completion.

Provision of Liability

The Contractor providing service will be held responsible for any damages, costs or liability, which result from the Contractor's activities whether such activities are by the Contractor or subcontractor or by anyone else directly or indirectly employed by the Contractor under the agreement. The Contractor will be required to show proof of insurance coverage and workers compensation compliance with statutory requirements, in the form of a Certificate of Insurance. The Certificate of Insurance shall be endorsed to include the State of Iowa, the Iowa Board of Regents, the University of Iowa, their agents, officials and employees as additional insured. The contractor and its insurers providing coverages shall waive all rights of subrogation or recovery against the State of Iowa, the Iowa Board of Regents, the University of Iowa, their agents, officials, and employees. This section of the contract must be reviewed by the Risk Management Office prior to approval.

Conclusion of the Contract

Upon conclusion of the agreement, an exit review between the Parties to assess the entire project scope may be beneficial. Though not necessary, this type of review may yield additional information for refining and enhancing processes for future projects, and foster continued relationships between the Parties. If this option is selected, it should be included as part of the "Scope of Work" section of the agreement.

Confirming Orders for Emergencies

Remember, Confirming Purchase Orders are an exception to the normal process.

- Rush or emergency purchase order numbers for orders \$5000 and over must be obtained from the Purchasing Agent. Departments with emergencies will be required to enter a Requisition in the PReq system and send it through Workflow with all required signatures. Contact the Purchasing Agent with the Requisition ID. If competitive bidding is not required and if the Purchasing Agent approves the requisition, the PO number is assigned as soon as the requisition is approved in Workflow. The department can then view the Purchase order number on the PReqs system.
- Purchasing does not send out purchase order documents to the vendor for confirming orders, unless required by the vendor or requested by the department due to some special circumstance. If you have a confirming order you must check the Confirming order checkbox on the PReq or it could cause a duplication of the order. When Purchasing sees this checked on the Purchase Order they will not fax a copy of the Purchase Order to the vendor. If your vendor requires a copy of the Confirming Purchase Order, e-mail the Req/PO team at: PurchasingReqPO@uiowa.edu. Indicate the Purchase Order number that should be sent to the vendor and include the vendor address or fax phone number.

Prohibited Items

Confirming Purchase Orders may not be used to obtain the following:

- Alcohol
- Construction materials, unless approved by a Purchasing Agent
- Equipment costing more than \$5000 unless approved by a Purchasing Agent
- Live vertebrate animals except by The University Veterinarian
- Narcotics
- Printing and Copying
- Travel

Sub-Agreements

All orders for Sub-agreements must go through the Division of Sponsored Programs Office (<http://www.research.uiowa.edu/dsp/>) or contact them by email dsp-web@uiowa.edu. A DSP staff member is required to be an ad hoc as the last Workflow approval signature.

Copiers, Printing & Photocopying Orders

All orders for copiers go through the Purchasing Department.

Purchase Orders and Procurement Cards may not be used for printing or photocopying orders from outside vendors. These services are paid on State Printing Orders administered by the Printing Department. Please contact the Printing Department for information on how to request printing and photocopying services. (4-3700)

Interdepartmental Requisitions

Requisitions for goods and services purchased from outside vendors are entered into the PReq system. Requisitions for goods and services from University departments must be sent to the department providing the goods or services. See Interdepartmental Services at [Appendix D](#) or retrieve the form from www.uiowa.edu/~eforms/prch/idreq.pdf.

Questions or Problems

- **Vendor questions:** The Purchase Order contains the Requester name and phone number. If a question arises, the vendor may call either the Buyer or the Requester.
- **Check PO Report for accuracy:** Please view PO Report on-line and call the Buyer immediately if you find a discrepancy.
- **Returns:** Contact Accounts Payable in writing regarding the return. Provide the Return Authorization number and the Voucher number. You may e-mail Accounts Payable at acntpay@uiowa.edu.
- **Change Orders:** Any change to a Purchase Order must be approved by Purchasing. If you need to make a change to a Purchase Order (additions, deletions, other corrections) call the Purchasing Contact on the Purchase Order. Please notify the Purchasing Agent if you are contacted by the vendor. Written notification may be required by the vendor or by Purchasing.
- **Questions:** When in doubt about the process, or if you have a problem with a Purchase Order or a vendor, please call the Purchasing Agent or the main telephone number (335-0115). Purchasing is located at 202 Plaza Centre One. Office hours are from 8:00 am to 4:30 p.m., Monday through Friday. Purchasing staff phone numbers and emails are at www.uiowa.edu/ap-purchasing/people.
- **PReq Questions:** To obtain help with the PReq Application, contact PReq@uiowa.edu.

Processing Payments on Purchase Order Invoices

The Payment Process

Accounts Payable processes payments for Purchase Order transactions. When invoices are received from vendors, they are audited against the purchase order number for correct vendor name and remit address, items, price, quantity, and terms. If the invoice and Purchase Order match, the invoice is entered on-line in the AP/PO System to create an Assumed Receipt Voucher report or a Capital Equipment and/or >\$10,000 Voucher report. E-mail notifications are being sent to the requester (or designee) when PO vouchers have been created. The Voucher report is created and forwarded with related invoice documentation to the department for review.

The payment process involves many elements:

- Processing timely payments to vendors, verifying pricing and terms of the Purchase Order
- Monitoring vendor statements and investigating invoicing or payment errors
- Requesting and processing credit memos
- Providing assistance and direction to departments in settling disputes with vendors arising from payment deductions
- Providing follow-up service on outstanding invoices to ensure payment in a timely fashion
- Resolving problems that may arise from payment deductions from vendor invoices
- Applying refund checks to the proper accounts
- Researching returned checks

Invoices

Invoices must be submitted to Accounts Payable for auditing, to prepare Voucher reports, and to make payments. If a department receives an invoice from the vendor, the invoice must be sent immediately to Accounts Payable, 202 PCO or via email to acntpay@uiowa.edu if payment is on a Purchase Order. Write the Purchase Order number on the invoice if it is not included. Invoices received not referencing a Purchase Order number are returned to departments or vendors requesting this information before they can be processed.

Invoice Number

The Invoice number identifies the vendor invoice being paid, and is usually assigned by the vendor. If the vendor does not provide an invoice number, the invoice total dollar amount and invoice date are used, and in some instances the vendor account number and invoice date may be used.

Short Payments

If a vendor charges inappropriate sales tax or freight, The University, Accounts Payable will automatically deduct when processing these Purchase Order Invoices. When this occurs the Comments field on Voucher Reports will provide information. The vendor is notified of these short payments with a brief comment on the check remittance advice.

Credit Memos

If The University has overpaid an invoice, or if merchandise has been returned, Accounts Payable requests and applies the credit memo or processes an adjustment voucher to the same MFK.

If the invoice has not been paid and the credit memo cancels the entire invoice, the Voucher will be manually closed.

If the invoice has a balance due after the credit memo is applied or if the invoice has been paid, Accounts Payable will enter an Adjustment Voucher. If possible, the Adjustment Voucher will have a scheduled due date the same as the invoice Voucher, so the payment will reference both the invoice and the credit memo. If this is not possible, the credit memo (Adjustment Voucher) will be applied to the next payment. Payments will not be made to vendors having credit balances. The AP/PO System will hold Vouchers until the vendor has a debit balance before creating a payment. If you have questions regarding the use of credits or credit memos, email acntpay@uiowa.edu.

Refund Checks

Vendors may issue refund checks for rebates, returned goods, duplicate payments, credit memos, or overpayments. Refund checks are processed and deposited in the corresponding Purchase Order's MFK. Accounts Payable is responsible for requesting and depositing vendor refund or rebate checks.

Manual Close

Manual Close is the procedure for removing liability on Vouchers that will not be paid. It decreases the outstanding payable account by the amount of the unpaid portion of a liability created from a voucher.

Voucher Payment Types

Assumed Receipt Voucher

This voucher report provides departments information on invoices, which have been received by Accounts Payable and entered to the AP/PO System for non-equipment, and purchases less than \$10,000. E-mail notifications are sent to the Requester or Designee when vouchers are created. Payments are automatically made within the voucher terms - the earliest of the Discount Due Date or the Scheduled Due Date. If for some reason the voucher should be held before payment is created, please e-mail acntpay@uiowa.edu.

Capital Equipment Voucher and/or > \$10,000

This voucher report provides departments information on invoices, which have been received by Accounts Payable and entered to the AP/PO System for capital equipment purchases, and dollar purchases over \$10,000. The AP/PO System automatically puts these vouchers on a hold status. Two copies of this report are mailed to the requesting department as well as the e-mail notification to the Requester or Designee. The department must complete receipt and equipment information and return the voucher report to Accounts Payable to release payment. When the completed voucher report is returned, Accounts Payable will remove the hold status, which releases the voucher for payment according to the payment schedule. The voucher copy is then given to Property Management (Inventory) to update their records, and then microfilmed. If signed voucher report is not received by Scheduled Due Date, see Delinquent Voucher process below.

Adjustment Voucher

An adjustment voucher is created when Accounts Payable enters credit memos, chargebacks, and/or adjusted invoices in the AP/PO System. Credit memos on blanket orders will create Assumed Receipt Voucher reports and the e-mail notification will be included with all other e-mail notifications for vouchers created that day. For non-blanket orders, a separate e-mail notification will be sent to the Requester by the credit staff providing voucher number, vendor name, purchase order number, related voucher number, and dollar amount. Accounts Payable provides the voucher number, vendor number, scheduled due date, related voucher number and MFK information on the credit/invoice. This credit will be applied to the next available check to this vendor. Verify your statement of account for use."

For more detailed information departments can access the AP/PO Web site at <http://www.bo.uiowa.edu/~ap-po/> or [Appendix D](#)

Delinquent Voucher Reports

Delinquent Voucher e-mail notifications for Capital Equipment and/or >\$10,000 are sent monthly to the department requester or designee. The email serves as notice that these vouchers were not paid on the scheduled due date(s) and they are on hold status. Requesters are asked to complete the receipt and equipment information and return to AP within 10 days or provide information as to why the voucher should not be released for payment.

PREqs Requiring Receiving

PREq orders to an outside vendor with one of the following criteria will require a Receiver to enter a receipt.

- IACT 6730 or 6740

- PReq total is \geq \$10,000
- PReq total is \geq \$5,000 and uses IACT between 6200-6235
- Blanket Orders (starting with B) and Contract Orders (starting with C) with IACT 6200-6235, 6730 or 6740
- Non-inventory item (where Receiving is not already checked as “Required”)

An email is sent to the designated Receiver indicating a need for receipt info. When the goods are received, the Receiver is required to enter the receipt information on the PReq. See the PReqs Receiving Guide under Training for more details: www.uiowa.edu/ap-purchasing/preqs

Department Responsibilities

1. Compare Voucher reports and invoices with receiving records and Purchase Orders for accuracy.
2. Review Voucher reports promptly to ensure that any cash discounts are processed within the voucher payment terms.
3. Receiving records should be maintained for 3 years. Appropriate receiving records could be one of the following dated and signed: Assumed Receipt Voucher report, delivery/packing slip, e-mail notification, receiving log or purchase order.
4. Return copy of Capital Equipment and/or $>$ \$10,000 Voucher to AP with receipt and capital equipment information completed.
5. Process on line CV for MFK changes.
6. If problems occur (i.e. damaged product, short shipments, merchandise returned, overpricing), notify Accounts Payable to hold the Voucher, request credit and/or process adjustment voucher.
7. For returned merchandise, contact the vendor for authorization to return. Provide the return authorization number in writing to Accounts Payable. You may e-mail at acntpay@uiowa.edu. Our return authorization form is available <http://www.uiowa.edu/~eforms/ap/rga.pdf>.
8. Notify the Purchasing contact on the Purchase Order for all purchase order changes, additions, deletions, and cancellations. You may e-mail Purchasing at purchasing-reqpo@uiowa.edu.
9. Verify Statement of Account.

Questions? Before calling Accounts Payable Department, visit the Frequently Asked Questions page at www.uiowa.edu/ap-purchasing/evoucher-faqs

e-Voucher Purchasing and Payment Processes

e-Voucher

Non services eVouchers are used to pay for transactions without the issuance of a purchase order. These transactions are normally low dollar, less than \$3000.00 and there would be no value added by creating a purchase order and having it reviewed by purchasing. This application is also used to make all payments to research subjects, including payments previously processed through payroll. When you initiate a voucher, you will load information into a new form in the e-Voucher system. The "initiator" is the person who enters the information into the e-Voucher system.

After you complete your voucher, you will send the form into the campus Workflow System for electronic approvals, then on to AP for auditing and payment. You will be able to determine at any time where your form is in the Workflow process.

The e-Voucher provides departments the flexibility to order goods and services under \$3000 (including shipping and handling) directly from the vendor. Accounts Payable audits and reviews the e-Voucher before payment is made to ensure all charges are appropriate. The department assumes the responsibility for maintaining sufficient order records, answering vendor questions, and handling credits. Please refer to the AP Policy Manual for more details: www.uiowa.edu/ap-purchasing/files/ap-purchasing/files/AP_Policy.pdf

Advantages of e-Voucher:

- Eliminate paper vouchers
- Eliminate duplication of data entry
- Immediate MFK validation
- Status tracking for vouchers
- Approve forms through Workflow
- Attach scanned back up information electronically
- Search Center
- Favorites for MFK's & Vendors

If the department does not wish to use this option, or when vendors require a PO, Purchasing will issue Purchase Orders for low-dollar transactions. The University of Iowa Procurement Card is another option.

Department Procedures

1. Contact the vendor to place an order. Provide the "ship-to" address and request that the invoice be mailed directly to your department. Accounts Payable routes all invoices less than \$3000 to the department if no Purchase Order number is associated with the invoice. If Accounts Payable is unable to determine which department placed the order, the invoice will be returned to the vendor.
2. See [vendor database](#) for more information.
3. Department receives the ordered goods and an invoice from the vendor.
4. Complete an e-voucher on-line form and submit through workflow (requires 2 separate approvals).
5. Scan and attach the invoice or price verification to the on-line form. If supporting documentation needs to accompany the check, please provide a copy. If a scanner is not available, send original invoice via campus mail to 202 PCO noting the voucher number on invoice.
6. The University does not pay sales tax (unless it is part of a reimbursement or consumed out of state). See the Code of Iowa and www.uiowa.edu/ap-purchasing/department-forms#s.
7. Maintain original records/documentation in department for a minimum of 18 months to satisfy auditing requirements
8. Resolve problems with back orders and damaged products.
9. Process Credit Memos using one of the following options:
10. If the credit amount equals the unpaid invoice amount, retain the invoice and Credit Memo. In this case, no documentation is routed to Accounts Payable.

11. If the credit amount does not equal the invoice amount or if payment has been made, please contact one of the credit statement staff listed at www.uiowa.edu/ap-purchasing/people

When a department wishes to track expenses, Purchase Orders may be issued to cover off-premises utilities or other recurring expenses, such as telephones or rent.

If you have questions please call 335-0115 or see www.uiowa.edu/ap-purchasing/people for a listing of Accounts Payable staff phone numbers.

Restrictions

The following items may not be purchased using low-dollar procedures:

- | | |
|--|--|
| Alcoholic Beverages** | Hospitality or Entertainment * |
| Animals (including fertilized embryos) | Leases, Rentals |
| Automotive Repairs | Personal Items (flowers, gifts, food) * |
| Business Cards | Printing/Photocopying |
| Cash Advances | Purchase involving trade of Univ. Property |
| Controlled Substances | Radioactive Materials |
| Cylinder Gases and Liquid Nitrogen | Telephones, Related Equipment not compatible with University system (contact Telecommunications) |
| Gasoline | Travel, Travel-Related Expenses |
| Hazardous Chemicals, Materials | Weapons, Ammunition |

* These items require your Vice President’s signature. See The University of Iowa Operations Manual, Part 5, Chapter 11, Section 11, or view at www.uiowa.edu/~our/opmanual/v/11.htm#1125.

** Alcoholic Beverages are restricted to certain funds. See The University of Iowa Operations Manual, Part 5, Chapter 11, Section 11, or view at www.uiowa.edu/~our/opmanual/v/11.htm#1125 Note: Alcohol is prohibited on the Procurement Card.

Price Verification

Price verification must be written (non-verbal). It can take the form of an email, price list, or catalog page that includes the vendor name and address. Also include shipping and handling costs or discounts.

Following is a listing of these transaction types

<p>A</p> <ul style="list-style-type: none"> Activity Therapy Department: pizza, skating, bowling, movies, etc. in the local area Ambulance service for patient transportation Association dues <p>C</p> <ul style="list-style-type: none"> Cash reimbursement for awards or prizes Cash transactions where no products or services are involved Charter service for bus and air Commercial laboratories Conference charges for services such as table rentals, booth rentals, electrical service and equipment Conference registration fees are handled by the Travel Office at 202 PCO Consignment sales Consortium payments: e.g., Great Plains services network Copyrights <p>D</p> <ul style="list-style-type: none"> Department of General Services (State of Iowa) Depositions 	<p>M</p> <ul style="list-style-type: none"> Magazine subscriptions Meals in restaurants for two or more people Medical expenses for scholarship athletes Medical services for indigent patient (Title XIX) Memberships Meter rentals and postage reset charges by Pitney Bowes <p>N-P</p> <ul style="list-style-type: none"> Notary Public Commission Fees Organ procurement cost (Purchase Orders may be used for repeat providers) Payroll Vouchers to Payroll Office 120-30 USB Permission to reproduce copyrighted materials Pharmaceuticals - athletics and hospital residency Postage Prepaid transactions for items totaling less than \$100 Program capitations for UIHC and residency Program Matching for College of Medicine Residency
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E	R
Elderhostel Emergency transportation to UIHC Employee moving expenses if invoiced by the vendor Exhibit fees for art work	Receptions where food is served outside the Iowa City area Registrations for conferences, seminars to Travel Office 202 PCO Reimbursements to an individual when goods and services are purchased by an individual for University use Renewal of funds (government publications) Rent (short term basis, not to exceed 6 months): office space, classroom, warehouse, exhibition space at conferences, tables and projectors Royalties
F	S
Fees: transcripts, academic testing, scores, parking inspections, death certificates, events, accreditations, entrance fees for tournaments, competitive meets, inspection, memberships, phone service, judged events, registration for seminars, etc Field Schools: Lakeside Lab and CHCS regional clinics Fines: parking, OSHA, etc. Freight: UPS, Federal Express, Air Freight, etc.	Subscriptions to periodicals and magazines Seminar and conference registrations to Travel Office 202 PCO
H-L	T
Health care for individuals covered by UIHC self-insurance Insurance premiums Interdepartmental payments ITT (Western Union) telegram Lab animal maintenance fees paid to the VA Hospital Lab and X-ray fees for patients or research subjects License applications for employees, vehicles, trailers	Telecommunications or UIHC Telecommunications, water, sewer and gas Telegrams Training classes and presentations presented by non-profit organizations Tuition (class entrance fees)
	U
	Utilities including electricity, water, sewer, gas and all telephone services provided by Telecommunications and UIHC

Note: In order to track expenses, Purchase Orders may be issued to cover off-premises utilities or other recurring expenses, such as telephone or rent. Contact Purchasing with questions.

Additional e-Voucher Payment Types

The following is types of transactions require special handling or information.

Reimbursements

- **Original itemized receipts** are needed if asking for 100% reimbursement. A scanned receipt needs to be attached to e-voucher showing the vendor name, amount, and if payment was by cash, check or credit card. If paid by credit card the receipt needs to show what type of card was used. If Visa was used, we need the receipt to show the first four digits (to verify that is isn't the University Procurement Card). If another type was used, no additional information is needed. If the receipt does not show how the purchase was made, then Accounts Payable will need the front and back copy of the canceled check, copy of the bank statement or credit card statement. If the department does not have a receipt, they can send a letter from their department head with the above information.
- **Food Purchases:** When purchasing food or beverage for the personal benefit of faculty, staff of their families, the following information is required:
- **Business purpose of Expense**
- An explanation of why food or beverage was required at the meeting
- Requests for payment or reimbursement require two approvals via workflow. The person coordinating the event should approve. In addition, one of the following must approve reimbursement: the DEO, business officer of the college or division, dean or vice president of the employing division.

Food

Food and beverage expense (may be paid from any source of funds) and alcohol (if paid from an agency fund 950-997 or from a gift fund 520), may be approved for reimbursement if the following conditions have been met:

For more information on questions and answers related to modified policy on food, beverage, flowers, gifts and similar incidental expenses, also see: www.uiowa.edu/~our/opmanual/v/11.htm#1125

- A written justification documenting a clear University purpose for incurring the expense. Examples of University purposes include but are not limited to the following:

- business meetings
 - UI sponsored conferences
 - recognition events
 - recruitment
 - training
 - new employee orientation
 - lectures, symposia, presentations
 - student orientation and support events
- In addition to a clear business purpose the written justification should include an explanation of why food or beverage was required at the meeting.
 - Allowance for food and beverages expense is limited to \$40 per person if food only or \$55 per person for food and alcohol combined. Exceptions must be approved by the Executive Vice President and Provost, or, the Senior Vice President and Treasurer. This policy does not apply to regular travel meal per diems. Travel reimbursement is subject to the guidelines found in Operations Manual V.22. See <http://www.uiowa.edu/~our/opmanual/v/22.htm>.
 - Reimbursement for recognition events is contingent upon the department having an approved “Rewards and Recognition” plan on file in the department.

Flowers, Gifts and Other Incidental Expenses

Flowers, gifts and other similar incidental expenses may be approved for reimbursement from any fund if there is a clear University purpose for incurring the expense that is documented in writing.

Approval of the expense requires two approval signatures. The person coordinating the event and one of the following: DEO, business officer of the college or division, dean or vice president of the employing division.

Subscriptions

Before subscribing, check the list of journals that are available for free electronically through the UI libraries at www.lib.uiowa.edu/.

Prepayments

In some situations, the vendor requires payment before any merchandise will be shipped or offers a discount if the order is paid in advance.

Prepayments less than \$3000

Prepaid purchases totaling less than \$3000 do not require a PReq. Submit the following directly to Accounts Payable, 202 PCO.

e-Voucher on-line form - Include the complete department delivery address in the “Ship-to” box, as this is the only delivery information the vendor will receive. They will not receive an accompanying Purchase Order.

Price Verification from the vendor (see below).

Prepayments greater than \$3000

For purchases totaling more than \$3000 submit the following via workflow:

- PReq with “Prepayment” noted in Internal Comments.
- Price Verification from the Vendor in written form (non-verbal).

- Exception: No purchase order required when an agreement has been signed by the U of I Business Manager (See their web site for staff: <http://www.uiowa.edu/~fusbm/>). In this case prepare an on-line e-voucher.

Other Purchasing and Payables Procedures

The Procurement Card

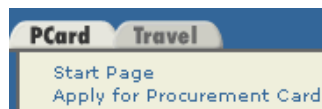
Requesters are encouraged to use The University of Iowa Procurement Card instead of Purchase Orders (PReqs) or e-Vouchers whenever possible for transactions \$3000 and under.

The Procurement Card has become a primary vehicle for low-dollar transactions including Travel related expenses. Procurement Cards are issued to a department under an individual staff member's name with the agreement to observe specific rules and procedures. The University shares responsibility and risk with departments when the following regulations and procedures are followed. See www.uiowa.edu/ap-purchasing/article/procurement-card-risk

The Procurement Card has many advantages, including:

- No geographical limits
- Available 24 hours per day, 365 days per year.
- Only one Voucher per month covers all Procurement Card transactions.
- Provides users speed and control of low-dollar purchases.
- Can now charge most of their travel expenses directly to their departmental procurement card rather than using a personal charge card and submitting expenses for reimbursement.

To obtain a Procurement Card for your department's low-dollar purchases, log on to Self-Serv. <https://protrav.bo.uiowa.edu/travel/load.cfm> click PCard tab and fill out the on-line agreement form.



Once the application has been processed and card received, the Procurement Card team will notify the new cardholder and instruct them of upcoming training times and locations. Training is required for all cardholders.

Questions regarding statements, vouchers, payments or ProTrav contact protrav@uiowa.edu or 5-0115 for questions on how to obtain a Procurement Card, cancel a card, or to discuss a higher monthly limit.

Procurement Cards may NOT be used to purchase the prohibited items listed under Low-Dollar/Non-Purchase Order Transactions. See the Procurement Card Manual at www.uiowa.edu/ap-purchasing/protrav for more information.

Miscellaneous Accounts Payable Processes

Freight

Website: www.uiowa.edu/ap-purchasing/freight

Each department designates one default mail/freight code number per shipper/account number for each freight carrier your department uses (UPS or FedEx) This will streamline and customize our entire freight processing system for better control at lower costs and in less time. The default mail/freight code number will only be used when a mail code is invalid, missing, or illegible on your shipping document. Department will be charged \$.67 for each instance. All of the mail codes currently in use are valid, so please continue to use them.

The University Preferred freight vendors are Yellow Freight, Dohrn Transportation, Roadway Express, Federal Express and UPS. Departments wanting new accounts set up will need to complete the new account form on our website. This ensures

that all accounts set up under The University of Iowa are eligible for our discount. See www.uiowa.edu/ap-purchasing/freight for details.

Travel

The Travel Office processes travel-related expenses and reimbursements. For Travel information, details and forms please see The University of Iowa Accounts Payable and Travel Manual on the Web at: www.uiowa.edu/ap-purchasing/travel

Payroll

Payroll audits approved Vouchers to individuals when income must be reported on a 1099 form. Vouchers are routed to Accounts Payable for processing and check creation. Contact Payroll at 5-2420 or on the Web at <http://hr.uiowa.edu/payroll>

1099-Miscellaneous Income Tax Reporting

The University of Iowa files a 1099-MISC Income Tax document with the Internal Revenue Service (IRS) based on calendar-year payments for any person (other than corporations, except for medical and dental services) whom we have paid:

- At least \$10 in royalties
- At least \$600 in rents, services, non-employee compensation, prizes and awards, other income payments, and medical and health care payments
- Gross proceeds paid to an attorney

Payments made to vendors/individuals using the following Institutional Accounts are subject to reporting to the IRS. Please review them and assign your Institutional Accounts appropriately.

6060 Moving Expense	6231 Subcontracts Prior Grant Year
6062 Housing Allowance for Students	6235 Other Services
6090 Pathology Blood Draw	6240 Research Participants
6200 Prof & Non-Medical Services	6241 Participant Stipends
6202 Consultant Services	6260 Repair/Maint-Bldgs & Land Improvements
6205 Medical and Dental Services	6265 Repair/Maint-Equipment
6207 Medical Services – Outpatient	6404 Royalties and Copyrights
6210 Publication Costs	6430 Rentals and Leases
6212 Copy Charges	6432 Rental/Lease of Facility – Non-Capital
6215 Computing Services	6710 Land Improvements
6218 UI Provided Services	6720 Buildings
6225 Laundry and Dry Cleaning	

Accounts Payable Check Writing Procedures

Payment Processing

Accounts Payable usually produces checks Wednesday and Friday in the Purchasing and Payables System. ACH payments are processed daily. Exceptions may occur around the Holidays, beginning of school semester, or in special circumstances. The Payment Coordinator initiates the payment creation process and verifies the Daily Pay Cycle defaults. Vouchers are selected for payment based on payment due dates, pay through date, and next payment date. Selection Exceptions are researched and corrections made as necessary. The Trial Register is reviewed and approved by the Payment Manager. The Payment Coordinator prints the checks and records the check numbers in a ledger. Checks are sorted, verified, and distributed according to their Handling Code. Checks over \$10,000 are reviewed by the Manager.

Payment Cancellation & Voucher Reissue

Checks with discrepancies are reviewed by the Payment Coordinator to resolve or to cancel. Checks returned from vendors are reviewed by the Check Specialist to determine if the check should be cancelled and/or reissued. Checks that are cancelled are noted “Void”, reason is noted in the comments field, and liability is reversed. If check should be reissued, the original voucher is re-opened and corrections made.

Express Checks

When emergencies arise, contact Accounts Payable to review the need to process an Express Check. A voucher is required before an Express Check is created. Contact Karen Housel at karen-housel@uiowa.edu, 335-0409 or Denise Hyche at denise-hyche@uiowa.edu, 335-3816.

Glossary of Terms

Accounts Payable and Travel: This department processes payments for all transactions and produces the checks that are sent to all vendors. They also process travel expense vouchers, process payments for meeting registrations, issue travel advances, and maintain records of payments and vouchers.

ACH: Automated Clearing House is an electronic network for financial transactions in the United States. ACH processes large volumes of credit and debit transactions in batches. ACH credit transfers include direct deposit payroll and vendor payments.

Adjustment Vouchers: These voucher reports are computer-generated and used for the processing of credit memos, chargebacks and/or adjusted invoices.

Assumed Receipt Vouchers: These voucher reports are computer generated and used for the payment of invoices to external vendors when a Purchase Order has been established for non-equipment and purchases less than \$10,000. Email notifications are being sent to the Requester/Designee when the vouchers are created and payments are made on the Scheduled Due Date.

Blanket Order: A purchase order from which goods and services are purchased over a given time period rather than in a single transaction. Some examples include a maintenance agreement for a photocopier, an order for a case of light bulbs to be delivered on the first of each month or an order to repair computer equipment as needed.

Buyer: Purchasing Agent who approves orders and assists in acquiring goods and services.

Capital Equipment and/or >\$10,000 Voucher: These voucher reports are computer generated and used for the payment of invoices to external vendors when a Purchase Order has been established for equipment and high dollar purchases. Email notifications are being sent to the Requester/Designee when the vouchers are created and a copy of the voucher is mailed to the department. Payments are made when the completed Voucher Report is signed and returned to Accounts Payable.

Check: Written order a bank to pay money.

Confirming Order: Any order that has been placed with a vendor, but not yet completed by issuance of a Purchase Order, payment or other process. These orders are usually not mailed to prevent duplicate shipments.

Conflict of interest: (COI) This occurs when an individual or organization is involved in multiple interests, one of which could *possibly* corrupt the motivation for an act in the other.

Credit Memo: A listing of products or services sent to a purchaser itemizing prices and quantities being credited for returned products, overpricing, products received damaged, short shipments, duplicate billing, etc.

Credit/Statement (CR/ST) Team: Resolve billing disputes and problems between Departments and Vendors. Processes credits and adjustments when necessary.

DBA: Doing Business As. A formal notice that an individual, company or organization is conducting business under a different name.

Delinquent Voucher: These are Capital Equipment and/or >\$10,000 Vouchers that remain unpaid after the Scheduled Pay Date.

Department: Division within a University college or unit.

EDI: Electronic Data Interchange, the computer-to-computer transmission of standardized business data.

Encumbrance: A University accounting method that reserves funds from a department's budget for an anticipated expenditure. Funds are encumbered when a purchase order is issued.

Expenditure: A University accounting method that identifies payments on a department's budget.

Express Check: A check written for emergency purposes only.

FEIN: Federal Employer Identification Number.

Grant Accounting: The department that monitors compliance with regulations for funds received through the Federal and Non-Federal Grant processes.

Initiator: The person who initiates the form. Entering information into the e-Pro Application. After you complete the on-line form, you send the form along the predetermined electronic track (Workflow).

Invoice: A bill requesting payment and listing the products or services received by a purchaser, itemizing prices, quantities, and shipping charges. Provides vendor name and remit-to address.

ITS: Information Technology Services supplies departments with computer access, information, and support to the University mainframe operations.

Low Dollar Transaction: Purchases of items costing less than \$3000, which are not tag-able equipment by the processing of an e-Voucher rather than a Purchase Order. Examples include magazine subscriptions, membership dues, and fees. Procurement Cards are also used for low-dollar transactions.

MFK: Master File Key is a system of codifying accounting data such as funding, Federal and state classifications, use of funding, responsibility, etc. Fields for entering these codified data appear on most of the forms used in the purchasing and payment processes. Departments can customize certain areas of the MFK to further detail their income and expense reporting.

e-Voucher Transaction: Any purchasing transaction that is handled without the issuance of a Purchase Order. Often these payments are for low dollar transactions, fees, membership dues, or other intangible items.

e-Voucher: This on-line voucher form is originated by the ordering department and is used for non-purchase order payments of reimbursements to an individual, refund or overpayment. This form is also used when a vendor does not allow Procurement Card charges, when no value is added by a Purchasing Agent and the total is less than \$3000.

PO Report: A report of the information that is sent to the vendor. Departments need to review for accuracy. Contact Buyer if any discrepancies occur.

Prepayment: A transaction in which payment is sent with the order. For orders less than \$3000 the department must complete an e-Voucher with price verification attached for Accounts Payable to generate a check.

Procurement Card: Procurement cards are available for payment of small dollar items such as registrations, software upgrades, orders from catalogs and other miscellaneous expenditures less than \$5000.00.

Purchase Order: This form is the official document authorizing the purchase of products and services.

Purchase Order Number: A 6 digit (Material Services, Hospital Pharmacy, IMU Bookstore) or 10 digit number that begins with a 4. This number is electronically assigned in Purchase Requisitions Application.

Purchase Requisitions or PReq: New electronic system to enter requisitions that go to outside vendors.

Purchasing Agent: Reviews high-dollar Requisitions (\$5000 and over), determines if bids are required, and helps select vendors. Revises Requisitions for appropriate language, adherence to the Commercial Code, University, State and Federal regulations. Creates and reviews RFQ's as necessary; and negotiates contracts with vendors.

Purchasing Department: This department approves Requisitions from all University departments, creates Purchase Orders, solicits bids, contracts for goods and services, maintains the Vendor Database.

Purchasing Team: Oversee the electronic dispatch of Purchase Orders to the vendors and help answer questions about the Purchasing Process. Trains requesters and answers questions on less than \$5000 orders.

Requester: The person or persons in each department who work directly with Purchasing and Accounts Payable to facilitate the procurement and payment process. They are assigned unique requester codes (Origin Codes). Requesters may be contacted by Purchasing, Accounts Payable, or the vendor if a question arises about an order.

Requester Code: This code is sometimes called origin. A 3-digit code assigned to a Requester. It is used to mail Purchase Order Voucher Reports to departments.

Requisition: This on-line system is used by the requesting department for ordering goods and services from external vendors. The Requisition generates a Purchase Order.

Requisition ID: A 10-digit number identifying your Requisition. The Purchase Requisition Application electronically assigns this number.

RFQ: Request for Quotation. The process by which The University solicits bids or offerings from vendors for goods and services as specified in the RFQ document. This document details the items needed and the conditions of the purchase.

RFP: Request for Proposal. A formal, written instrument used for awarding contracts to vendors based on factors in addition to price, including, but not limited to, assessment of the vendor's capabilities, performance, support, service, maintenance, etc. The University uses a statistical assessment method based on these factors as the standard for awarding a contract.

SBA: Small Business Administration. The Federal agency which supports and promotes small businesses.

Ship-to Code: The code(s) assigned to a department that is included on each Requisition and which prints out a complete delivery address on the Purchase Order copy sent to the vendor.

Short Payment: Payment of an invoice deducting any inappropriate sales tax or freight charges.

Sole Source: There are many instances where specific goods and services can be obtained from only one vendor. A Purchasing Agent works with the requester to identify these instances, and together they document the reasons for utilizing this one vendor rather than requesting multiple vendors to bid through the RFQ process.

Sole Source Form: The form used to determine that the necessary criteria are met to obtain goods or services without using the RFQ process. This form is part of the PReqs system.

TSB: Targeted Small Business. Program was created to promote the growth, development, and diversification of Iowa businesses owned and operated by minorities, women, and persons with disabilities.

VAF: Vendor Application form

Vendor: A company or individual supplying goods or services.

Vendor Application form (VAF): The U of I Vendor Application form is used to obtain data from vendors about their businesses and used for information required by the Federal Government, such as Tax Identification Numbers. This form must be received from vendors before they can be added to the Vendor File.

Vendor Database: The database record of all U of I vendors and other payment recipients.

Vendor File Team: Enters and maintains the database record of all U of I vendors and other payment recipients.

Voucher Number: Computer generated number assigned when the voucher is entered. Use this number to track the accounting information in General Ledger.

WFTx: Workflow transaction number that is assigned by Workflow for tracking purposes.

Workflow: Electronic signature system.

Appendices

Appendix A – Ship-to Codes

These Ship-to codes are available for use by all departments. Most departments use these codes when they want goods delivered to a special address, or they want to pick up the goods, or on confirming orders to avoid duplicate shipments.

Ship To/Payer Code	Definition
A001	Ship To address per verbal instruction. If address unknown contact expediter.
A002	Further address information is listed in the text below.
A003	Do not deliver: order has already been received.
A004	Do not deliver: contact requester per the information in the text below when order is ready for pick up.
A005	Does not require delivery of goods with this order. Purchase order is for services only.

Appendix B – Purchase Order Report

Three times each day, approved Purchase Orders are processed in PeopleSoft then electronically faxed by Purchasing. The vendor receives a faxed or original Purchase Order. Confirming orders are not sent to vendors unless Department emails the Req/PO Team (PurchasingReqPO@uiowa.edu) and tells them to send the Purchase Order.

When you receive a Purchase Order number on your Home Page on the Purchase Requisitions Application, click on the PO number to review the report for accuracy. Contact the buyer at once regarding any discrepancies. See www.uiowa.edu/ap-purchasing/people for Purchasing Department names and phone numbers.

Questions? Before calling the Purchasing Department, visit the Frequently Asked Questions page at www.uiowa.edu/ap-purchasing/preq-faqs If the answer to your question is not provided, contact Purchasing at 335-0115 or email preqs@uiowa.edu.

Appendix C – Adjustment and Reversal Vouchers

An adjustment voucher is created when Accounts Payable enters credit memos, charge backs, and/or adjusted invoices in the AP/PO System. Credit memos on purchase orders will create Assumed Receipt or Capital Equipment >\$10,000 Voucher reports and the e-mail notification will be included with all other e-mail notifications for vouchers created that day. This credit will be applied to the next available payment to this vendor. Reversal Vouchers are created to back out incorrect vouchers or when a credit memo cancels the full amount of the PO Vouchers. This will reinstate the encumbrance on the Purchase Order. An email notification will be included with all other e-mail notifications for vouchers created that day. Verify your statement of account for use.

Appendix D – Interdepartmental Services

The following is a list of some departments that provide goods and services to other departments on campus. Remember that Interdepartmental Requisitions do not flow through the Purchasing Department, so all questions should be directed to the department providing the service. Since departments do not always have access to the ship-to codes mentioned earlier, please include any ship-to information in the body of an interdepartmental requisition. This will help ensure that the material or service is delivered to the correct destination. Although Interdepartmental Requisition forms are used for most interdepartmental transactions, note that Material Services Processed Stores require the use of their own order forms. Use www.uiowa.edu/eforms/files/eforms/files/idreq.pdf found on E-Forms.

Chemistry Stores	5-1378	ITS Data/Phone Services	5-2945
Copy Center	4-3717	Medical Instrument Shop	5-9840
Daily Iowan	5-5786	Motor Pool	4-0564
Facilities Services Operations & Maintenance	5-5071	Printing	4-3700
Design & Construction	5-1283	Rental Pool	4-3922
Iowa Memorial Union	5-3055	University Book Store, IMU	5-3179

Appendix E – Procurement Card Risk

The University agrees to share with the department the risk associated with the use of the Procurement Card when the following measures have been taken:

- The Cardholder/Department promptly contacts Purchasing (335-0389 or 335-0385) Department when there is reason to believe that a card has been lost, stolen, or misused.
- The Cardholder/Department maintains the actual card and card number in a secure and safe place to avoid "unauthorized" individuals access to credit card information.
- Cardholder/department adheres to the written terms and agreements contained in the University Procurement Card Manual and Procurement Card Agreement.
- Cardholder/Department instructs all authorized users of the above mentioned guidelines, and periodically reminds users of the accountability requirements.
- Cardholder/Department reviews Procurement Card billing monthly to confirm that the card's use is limited to purchases for the benefit of the University.
- Should a Cardholder terminate employment with the University or transfer between departments, the user department has the specific obligation to reclaim the Procurement Card and return it to the Accounts Payable or Purchasing Department prior to the employee's termination date.

Appendix F – University of Iowa Non-discrimination Statement

The University of Iowa prohibits discrimination in employment and in its educational programs and activities on the basis of race, national origin, color, creed, religion, pregnancy, genetic information, service in the U.S. military, sex, age, disability, status as a U.S. military, sexual orientation, gender identity, or associational preferences, or any other classification that deprives the person of consideration as an individual. The University also affirms its commitment to providing equal opportunities and equal access to University facilities. For additional information on nondiscrimination policies, contact the Director, Office of Equal Opportunity and Diversity, the University of Iowa, 202 Jessup Hall, Iowa City, IA, 52242-1316, 319-335-0705 (voice), 319-335-0697 (TDD), <http://diversity.uiowa.edu/eod>

Appendix H – Anti-Kickback Regulations

United States Code Annotated

Title 41 Sec. 51-58 Anti-Kickback Act of 1986

Code of Federal Regulations

Title 29 Sec. 3.1 et seq. Kickbacks and Federal Funding

The State Code of Iowa

Iowa Code Chapter 68B Conflicts of Interest of Public Officers and Employees

The Iowa Administrative Code

Chapter 681-8.9 Prohibited Interest in Public contracts

The Board of Regents Procedural Guide

Sec. 10.09 Conflicts of Interest of Public Officers and Employees

Sales and Purchases and Prohibited Interest in public contract

Sec 10.20 Conflicts of Interest of Public Officers and Employees

The University of Iowa Operations Manual

Sec 30.012 Other Accounts

Sec 30.050 Policy and Procedures on Gifts, Grants, and Contracts

Sec 30.112 Conflict of Interest

Sec 30.113 Purchases from Staff

Appendix I – National Association of Educational Procurement (NAEP) Code of Ethics

Purchasing professionals must have a highly developed sense of professional ethics to protect their own and their institution's reputation for fair dealing. To strengthen ethical awareness, and to provide guidelines for its Members, NAEP has long promoted a code of ethics.

1. Give first consideration to the objectives and policies of my institution.
2. Strive to obtain the maximum value for each dollar of expenditure.
3. Decline personal gifts or gratuities.
4. Grant all competitive suppliers equal consideration insofar as state or federal statute and institutional policy permit.
5. Conduct business with potential and current suppliers in an atmosphere of good faith, devoid of intentional misrepresentation.
6. Demand honesty in sales representation whether offered through the medium of a verbal or written statement, an advertisement, or a sample of the product.
7. Receive consent of originator of proprietary ideas and designs before using them for competitive purchasing purposes.
8. Make every reasonable effort to negotiate an equitable and mutually agreeable settlement of any controversy with a supplier; and/or be willing to submit any major controversies to arbitration or third party review, insofar as the established policies of my institution permit.
9. Accord a prompt and courteous reception insofar as conditions permit to all who call on legitimate business missions.
10. Cooperate with trade, industrial and professional associations, and with governmental and private agencies for the purposes of promoting and developing sound business methods.
11. Foster fair, ethical, and legal trade practices.
12. Counsel and cooperate with NAEP members and promote a spirit of unity and a keen interest in professional growth among them.

Appendix J – Purchasing, Accounts Payable and Travel Department Staff

For current up to date staff listing, see www.uiowa.edu/ap-purchasing/people

Appendix K – Links

Commodity Assignment List: www.uiowa.edu/ap-purchasing/purchasing-agents

Iowa Sales and Use Tax Exemption Form: <http://www.uiowa.edu/ap-purchasing/department-forms#s>

Library Electronic Journals Listing: <http://www.lib.uiowa.edu/>

Vendor Application form: www.uiowa.edu/ap-purchasing/department-forms