PROCEDURE NUMBER:	FINA 2.14 Procedure
SECTION:	Administration and Finance
SUBJECT:	Acquisition and Payment of Goods and Services
DATE:	April 1, 2025
REVISION:	June 30, 2025
Procedure for:	All Campuses
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Issued by:	Administration and Finance – Controller's Office

Procedure

The University Administration and Finance Division, Controller's Office, will ensure compliance with University Policy FINA 2.14. This procedure is applicable to campuses, units, and departments requesting payment for goods received or services rendered. The purpose of this procedure is to supplement the associated policy by providing additional detail and guidance.

A. Supplier Conflict of Interest

When making purchases, departments should avoid doing business with suppliers if there is an actual or perceived conflict of interest. The University requires that an employee's private interests are kept separate from their official University interests. This separation ensures good stewardship of funding and ethical practices and also protects the University and its employees from charges of favoritism when purchasing goods and services. Employees are prohibited from participating in or making decisions about a purchase if there is a financial conflict of interest.

It is ultimately the employee's responsibility to disclose any actual or perceived conflicts of interest. In accordance with University Policy BTRU 1.18, Conflict of Interest and Commitment, failure to make a complete disclosure or to comply with the actions required to mitigate or eliminate the conflict may be grounds for disciplinary action and/or sanctions.

To monitor conflicts of interest and mitigate the associated risks at a central level, the following process occurs before a supplier is approved and paid:

When a supplier registration is received, the Supplier Team checks the registration information (e.g., name, address, etc.) against a University personnel query, through PeopleSoft HCM. If no

matches are identified, this step is complete and the supplier approval process proceeds. However, if a match is identified, the Supplier Team determines whether the supplier registration is for an employee, an employee's family member, or a company in employee's name, among other scenarios. A quarterly email is distributed to the Purchasing Department detailing any identified conflict of interest flags.

If the supplier registration is for a current University employee, the Supplier Team contacts Human Resources (HR) and the departmental supplier liaison. HR will then determine whether the activity should be set up as dual employment. If dual employment, no future actions are needed regarding disclosing or managing a potential conflict of interest. However, if not dual employment, the Supplier Team will check the Activity and Interest Reporting System (AIR) to confirm whether the entity has been disclosed as an outside financial interest by the University employee.

If the entity has been disclosed and approved, no future action is needed from the employee in AIR and the Supplier Team moves forward with the supplier approval process. However, if the entity has not been disclosed or approved, the Supplier Team will contact the employee to request completion of this step, also notifying the Conflict of Interest Compliance Manager from Audit & Advisory Services. The supplier registration will not be approved until the disclosure is complete.

Once the employee completes their disclosure, describing the outside entity and any overlap with their University duties, the Conflict of Interest Compliance Manager will analyze the disclosure and work with the employee and their supervisor in the completion of any required management plans to mitigate the conflict of interest. After the disclosed entity has been approved in AIR, the Supplier Team will move forward with the supplier approval process.

B. Unauthorized Procurements

Any unauthorized procurement must be ratified by the Department Head before payment can occur. A written request detailing the facts and circumstances of the situation as well as correction action to prevent future occurrence must be submitted to the Director of Purchasing for appropriate review and approval. See BUSA 7.00 Purchasing for additional information.

C. Blanket Purchase Orders

A Blanket PO is a Purchase Order from which goods and services can be purchased over a given period of time rather than in a single transaction. For more information on Blanket POs, contact the Purchasing Department.

Blanket POs differ from standard POs in the following ways:

- A minimum of twelve vouchers/invoices are required per fiscal year.

- Valid for only one fiscal year, with closure occurring each fiscal year (with any remaining amounts released from encumbrance). If a new Blanket PO is required for the new fiscal year, the department will need to create a new requisition.
- The item description should begin with "Blanket Order", followed by a general description of the goods being purchased (e.g., Blanket Order for Tools).
- The PO must be charged to one Accounting Distribution per line item. If the transaction is associated with more than one line item, each line item must be for a different item or service.
- The purchase requisition must include Authorized User(s) to place or pick up the orders.

The Purchasing Department will review Blanket PO activity to ensure the PO is being used. If no activity is noted, the Purchasing Department will close the PO and inform the department of the closure.

D. Receiving

A PO's receiving requirement is based on the underlying Category Code assigned to each PO. For a list of category codes, contact the Purchasing Department.

The nature of the PO determines how the receipt should be entered by the department in the PeopleSoft Finance. If the PO is quantity-based, the appropriate quantity should be entered as the Receipt Quantity. If the PO is amount-based, the appropriate dollar amount should be entered the Receipt Amount.

The invoice is not required in order to enter the receipt – the receipt can be entered in PeopleSoft Finance before the invoice arrives if the goods and services have been obtained. If the supplier invoice is received and submitted to Accounts Payable for processing, but an item or service is not received, an email notification will be forwarded to the requestor indicating receiving is required. These notifications will be sent until the receipt of the goods and/or services occurs in PeopleSoft Finance.

E. Invoicing

Invoices may be submitted to Accounts Payable directly from the supplier or the associated department. Suppliers who continually submit invoices without a valid PO number or invoice number will be reported to the Purchasing Department for further action, which could involve suspension or termination of the relationship with the supplier.

Upon receipt of a proper invoice, the Controller's Office's normal payment processing time is 7-10 business days, with pay cycles occurring every Tuesday and Thursday.