

FINANCE & ADMINISTRATION



Procurement & iContracts Summer Training Series

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Procurement Overview

Without procurement, it would be impossible for most business operations to function. Procurement management ensures that all items and services are properly acquired so that projects and processes can proceed efficiently and successfully.

More than a business necessity, procurement can be leveraged as a competitive advantage when optimized to save money, time and resources. Managing the procurement of products, materials, goods and services effectively consists of establishing and following process steps through the entirety of the procurement lifecycle.

1. Working with vendors or suppliers
2. Negotiating and Contracting
3. Placing the Purchase Order
4. Payment Processing
5. Maintaining Records

Doing Business With JSU

- [Purchasing Guidelines and Procedure Policy IV 03 01](#)
- No purchases should be made without prior authorization
- Budget availability required prior to creating a requisition or processing a PO amendment
- Purchase Requisitions are required for PO processing
 - See Procedures and Instructions webpage for "[Entering New Requisitions](#)"
- Purchases requiring additional documentation (not all inclusive):
 - Computer systems, printers, copiers, mobile device purchases (regardless of price) and peripherals or software purchases with an individual item cost of \$500 or more require a [Request to Purchase Computer Hardware/Software](#) form or other approval from Information Technology. Approved form (along with quote from IT) must be attached to the requisition before submitting it for approval.
 - Purchases for food or beverages must include the Request for Meal Purchase ([Form 22](#)). Approved form must be attached to the requisition before submitting it for approval.
 - The State of Alabama requires that a Vendor Disclosure Statement be completed for all proposals, bids, contracts (includes POs), or grant proposals more than \$5,000. The [notarized form](#) must be attached to the requisition before submitting for approval.
 - A Chrome River Travel Pre-Approval Form is required for any employee travel pre-payments.

Doing Business With JSU

- **Sales Tax Status**

Jacksonville State University (JSU) is exempt from state taxes on all of its purchases under the Alabama Department of Revenue Sales and Use Tax Rules 810-6-3.47.04. As an instrument of the State of Alabama, Jacksonville State University is not required by the State to have a registration or permit number nor are they available to state agencies. Jacksonville State University is not exempt from any type of lessor tax. **Note:** Legislature Act 2015-534 exempts JSU from obtaining an annual certificate of exemption according to its classification as an Alabama public institution. *The exemption letter is available from the Controller's Office upon request.*

- **Invoicing – Working with vendors submitting invoices? Here's some things to know:**

1. Invoices should have an associated JSU Purchase Order. The invoice date must be dated after the PO date (Prepayments are the exception). The department should submit the invoice with the signed receiving document. JSU can only pay for items received.
2. All invoices should include:
 - Purchase Order Number (if required)
 - Description of good or service
 - Quantity
 - Unit price
 - Invoice date and number
 - Bill to and Remit to address
3. Submit invoices to Accounts Payable for processing.

Purchasing Guidelines

Purchasing & State of Alabama Competitive Bid Law (Title 41)

- **Effective 10/1/2022** – Changes to the competitive bid law allowed JSU to increase the bid threshold from \$15,000 to \$25,000.
- **What does this mean for you?**
 - Campus-wide purchases to a vendor without a state contract or national purchasing cooperative contract cannot exceed \$24,999 during a fiscal year (10/1 – 9/30).
 - Goods and services are procured by competitive sealed bid when the above amount may be exceeded.
 - Dividing purchases between multiple POs to avoid the bid threshold is not allowed. JSU's total spend must be considered.
- **If a bid must be issued:**
 - Department must provide product or service specifications in Word format to Procurement.
 - Be specific with your requirements/specifications in order to obtain the best possible pricing.
 - A minimum of three (3) potential vendors must be provided to Procurement (contact name, email address & company mailing address).
 - Procurement will review specifications and provide feedback.
 - Procurement creates a bid packet, sets the bid opening date/time and emails the bid packet to potential vendors.
 - Bids remain open for ten (10) business days.
 - Bid responses from vendors must still be submitted in sealed, hard-copy form. The State of Alabama Competitive Bid Law does not allow for electronic bid responses.
 - After bid opening, results are provided to the requestor.
 - Bid is awarded to the “lowest responsive and responsible bidder whose bid meets the requirements”.
 - Multiple awards permitted (when applicable).

Purchasing Guidelines

- [Purchasing Guidelines and Procedure Policy IV 03 01](#)
- No purchases should be made without prior authorization



JSU Transaction Matrix

JSU Transaction Authorization Matrix – Policy I 05 03

- What is it?
 - Defines authority to approve transactions
- What does it do?
 - Provides framework for oversight of transactions
 - Guides users to those who can approve transactions

Expense Authorization Matrix – Policy I 05 03 01

- What is it?
 - This matrix operates as a subset of the Transaction Authorization Matrix (Policy I.05.03)
 - Defines authority to approve transactions
- What does it do?
 - Defines the workflow of transactions approvals (requisitions, purchase order amendments, direct vouchers)
 - Guides users to those who can approve transactions

Purchasing Card

Purchasing Card Procedures – Policy IV 03 11

- Purchasing cards will be limited to the President, members of the President's Cabinet, Deans, and Head Athletic Coaches. Exceptions to this policy must be approved by the related Cabinet member and the CFO/Senior Vice President of Finance and Administration.
- Cardholders and departmental reconcilers will be required to attend a training session before a card will be issued.
- The standard transaction limit will be \$2,500 with a maximum cycle limit determined by the appropriate member of the President's Cabinet unless authorized by the CFO/Senior Vice President of Finance and Administration.
- All purchases made on the purchasing cards must be for official University business.
- JSU is exempt from Alabama sales tax. Sales tax charges must be reimbursed to the University.
- Misuse of the card will result in revocation of the card, disciplinary action up to termination, and possible filing of criminal charges.
- The Office of Procurement will be responsible for managing the purchasing card program.
- Responsibility for managing an account is assigned to the cardholder of that account. Cardholder is responsible for reimbursing the University for any charges that are not allowable under University purchasing policy.
- Card transactions require the same documentation as POs and associated payments.
- Monthly reconciliations are processed via Chrome River.
- Reference the above policy link for expenses that cannot be purchased with the purchasing card.

Foundation Reimbursements

- Expenses not allowable with JSU funds may be processed directly through the Foundation.
- Contact the Foundation (jsufnd@jsu.edu) directly for guidance and confirmation prior to initiating a purchase.
- It is recommended that department consult with Procurement or the Controller's Office prior to transferring Foundation funds to JSU to ensure that proper purchasing guidelines are followed.
- Once funds are transferred, JSU policy applies.



Which payment method is allowable?

General Expenditure Questions (not all inclusive)	Payment Method					Notes (Taxes are not reimbursable)
	Purchase Order	P-Card	Reimbursement	Foundation Payment (minus taxes)	NOT ALLOWED	
Memberships & Dues when applicable to duties and mission of University	X	*				
Any donation, political contribution or charitable contribution					N	
Tables for fund raising events (civic and community events) in which there is a clear benefit to the University (i.e., when such sponsorship would not be considered a true charitable contribution)	X					
Flowers or gifts for University employees or their immediate family; or for Donors / Supporters for any occasion				F	N	
Flowers purchased for official University functions/events	X	*				
Holiday Parties				F	N	
University employee retirement reception				F	N	
Recognition/Appreciation gifts to employees (including student workers) by departments					N	
Recognition/Service Plaques, Pin, etc <i>ordered by Human Resources or the Appropriate Dean or Cabinet Member</i>	X	*				
Promotional give away Items purchased in bulk (Items reflecting JSU logo and colors & low in value such as: cups, tshirts, pens, etc.) Requires business purpose.	X	*				See Approved Vendors & Bid/Contract Info: https://www.jsu.edu/purchasing/promotional-product-vendors.html
Tokens of appreciation to employees for assisting the University with the evaluation of a program or other activity					N	
Tokens of appreciation (low cost; not cash or cash equivalent items) to non-employees for assisting the University with the evaluation of a program or other activity	X					
Gift Cards, cash equivalent awards to employees						Processed through Foundation and reported to/paid via Payroll Per IRS Regulations, gift cards are taxable to the recipient and must be reported as income to the IRS. All cash and cash equivalents must be reported on a tax return.
Refrigerators, Microwave, Coffee Pot, Heaters, Fans, coffee, water, snacks, anything for personal use or consumption					N	Expense may be reimbursed by Foundation. Confirm with prior to purchase.

Expenditure examples and allowable payment methods (*not intended to be all inclusive*).

Documentation will be posted to the "[Procedures and Instructions](#)" webpage.

Field Key Definition:
 X - Preferred method of payment
 * - Acceptable method of payment
 F - Foundation ONLY
 N - Not allowed from University Funds





iContracts Overview

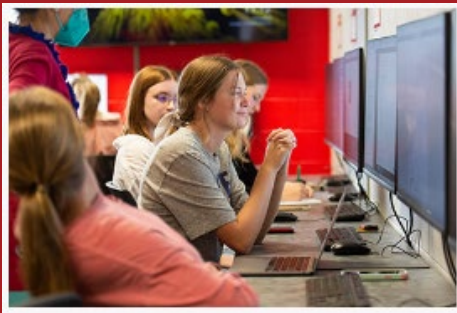
JSU reviews all contracts, or agreements, between the University and another party (or parties) that create an obligation to do, or to refrain from doing, a particular thing in exchange for something of value or that incurs a financial commitment of university funds. Contract clearly spell out the terms of an agreement, without ambiguity, and is signed by representatives of both parties that have the proper authority to enter into the agreement.

iContracts is a Universal Contract Manager (UCM) is a cloud-based Contract Lifecycle Management solution. It is comprehensive suite of fully integrated solutions to help JSU improve collaboration, expand visibility, and act as a central repository.

A purchase requisition **MUST** be entered with the contract attached for PO processing.
No DIRECT PAYS!

Contract Examples

- Clinical affiliations
- General Vendor Agreements
- Grant Agreements
- International Agreements
- Leases
- Memorandum of Understanding
- Professional Services Contracts
- Software Agreements (End User Licensing Agreements – EULA)



iContract FAQs

Q: Will any of our forms be changing? or Will we be doing away with paper forms?

Yes, the PSC is being converted into a Dynamic Form to allow electronic routing

Q: Do we only send our contracts through the new University Contracts email?

Yes, unsigned should be submitted to contracts@jsu.edu for review and processing.

Under JSU Policy IV:03:01, contracts may only be signed by the CFO/Senior Vice-President for Finance and Administration, the President or the Director of Procurement. Given the volume of contracts, please allow 3 business days for approved contracts to be signed.

Q: Do we need to send our contracts for Legal review first?

- Yes, In accordance with [Policy I.05.03](#), all contracts and agreements for over \$5,000 in value must be reviewed by JSU's General Counsel prior to being executed by a JSU authorized signer. While all efforts should be made to negotiate price and terms that are most favorable to the University in advance, vendors should be informed that all proposed contracts are subject to review by JSU's counsel.
- All international contracts, including **renewals** and some **EULAs**, should be submitted, **unsigned**, to contracts@jsu.edu for legal review processing. The appropriate signature authority will be determined during the contract review process.

Q: Will additional contract training be available?

- Yes, JSU's General Counsel will provide contract training at a future session.

FY 2023 Mid-Year Update

Budget Amendment Request Form: Non-Labor

- This year JSU is conducting a comprehensive mid-year review to identify any financial situations that have occurred or may be expected to occur prior to the end of the fiscal year, September 30, 2023. The objective of the Mid-Year Review is to perform an analysis of expenditures compared to budget and identify concerns (either favorable or unfavorable) that may have a material impact on the current budget. The scope of the mid-year review will include a comprehensive budget review for all revenue and expenditure activities for the entire campus (all funds).

Jacksonville State University
FY Budget Amendment Request

Department #
(Acct String):
example: 10000-12345-11100-10
Fund - Org - Account - Program

Dept/Acct Name:
example: Computer Science

Check One: Permanent One Time

	CURRENT BUDGET	REQUESTED ADJUSTMENTS + OR (-)	REVISED BUDGET
71010 Employee Travel	<input type="text"/>	<input type="text"/>	\$ 0
Name (<input type="text"/>) Amount (<input type="text"/>)			
Name (<input type="text"/>) Amount (<input type="text"/>)			
72010 Office Supplies	<input type="text"/>	<input type="text"/>	\$ 0
72101 Maintenance & Repairs	<input type="text"/>	<input type="text"/>	\$ 0
72201 Postage	<input type="text"/>	<input type="text"/>	\$ 0
72703 Contractual Services	<input type="text"/>	<input type="text"/>	\$ 0

- Summarize your request at the Account line.
- Forward the form to the Provost or Vice President for review.
- Approved requests will be forwarded to the Budget Committee for consolidation and Cabinet review.

FY 2023 Mid-Year Update

Temporary Hiring Pause Information

Jacksonville State University is implementing a strategic hiring pause through summer 2023. However, ongoing searches to fill critical positions for compliance and instruction will still move forward. During this hiring pause, labor planning will be linked to JSU's Strategic Plan. This is a proactive approach to purposeful restructuring and to ensure alignment of operations and labor expenses— which have been impacted by significant inflation and the pandemic. Job sharing and shadowing are also being implemented over the summer to foster professional development with a renewed focus on succession planning.

As we chart a path forward, business continuity and efficiency remain paramount. Any salary actions needed for reasons other than safety, students, and compliance may be considered on a limited case-by-case basis. If you feel a position is critical to safety, students, or compliance, the department head or unit manager must follow the guidelines below for requesting an exception. Again, note that all requests for exceptions will be subject to individual review by the Vice President, and then if the Vice President supports the request, by the Personnel Action Committee (PAC). Exceptions will not become the rule - please think carefully before requesting an exception. You will receive additional information on the implementation of integrated position budgeting and labor planning solutions in the coming months.

CDC and CP&F are exempt from the pause.

More information to come.

JACKSONVILLE STATE UNIVERSITY
HIRING EXCEPTION REQUEST FORM

Faculty Exempt Non-Exempt

If a position is determined to be critical to operations, a Hiring Exception Request Form must be completed and submitted to Department/Unit Manager, Dean, VP, and PAC for approval.

Position Title: _____ Department: _____
Requester (Department/Unit) _____ Salary: _____

POSITION INFORMATION:

This Position is: New Replacement (Position# _____)
Is this Position Grant-Funded: Yes No
Banner FOAP: _____
Vacated Date: _____ Anticipated Start Date _____

REASON FOR EXCEPTION (select box that applies):
Position is critical to: Campus and personal health and safety
 Compliance with federal, state and local laws and regulations
 Delivery of essential college services

CRITERIA/RATIONALE FOR EXCEPTION REQUEST:
Explain the specific reason for the exception, including the function of this position and the direct impact on core and essential campus operations:

Explain the negative impact on essential or critical campus operations of suspending, delaying or pausing the position:

Explain other options or methodologies and/or options that have been explored and exhausted to avoid the exception request:

Explain how the job responsibilities are currently being fulfilled and whether the responsibilities can be performed by other staff:

For Human Resources Use Only:
Salary and Position Information Verified by HR: _____ (HR Signature)
Request for Hiring Exception is: Denied Approved Start _____
President's Signature & Date: _____