

BURRELL COLLEGE OF OSTEOPATHIC MEDICINE

STANDARD OPERATING PROCEDURES

Purchasing and Disbursement Process		SOP #: FIN.016.07
Effective Date	5/8/15	
Last Revision/Review	9/13/2022; 10/7/22, 7/1/23, 5/10/24, 6/5/25	

1. Purpose

The purpose of this procedure is to ensure appropriate internal requisition, purchasing and cash disbursement controls are implemented and exercised for the control of all procurement activity from vendors. Procurement of property, goods or services with federal funds is subject to further controls as documented in Policy B3060 Federal Funds Procurement Standards. Vendors providing employee benefits, procurement card transactions, and disbursement of taxes and other funds owed to governmental entities are exempt from this SOP; procurement card transaction procedures are addressed in SOP FIN.032.

2. Related Policy/Authority

Policy B3011 Fiscal Management

Policy B3050 Federal Funds Compliance

Policy B3060 Federal Funds Procurement Standards

2 CFR §200.317-327

SOP FIN.032 Vendor and Contract Management Procedures

SOP FIN.015 Other Expense Reimbursement

3. Faculty/Staff Responsibilities

CFO is responsible to ensure that an overall structure of sound internal controls is implemented, GAAP is followed in all accounting, and that all external regulations and requirements for routine business transactions are addressed in the control and reporting structure. The CFO is responsible to periodically review the structure and implementation of internal controls, and to regularly review all financial reports presented to the Ownership, the Board, the Debt Trustee, and any governmental agency or accrediting body.

The Controller is responsible for the implementation and oversight of these procedures.

4. Definitions/Abbreviations

e-Requestor = Purchase requisition front end system which submits approved requisitions and related transactions to GP. The Purchase Requisition and the Purchase Order are both created in e-Requestor and uploaded to GP.

GP = Microsoft Dynamics GP (Great Plains) software system, the central finance and human resources administrative software system. The Vendor Record, Receiving Report and the Invoice associated with

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the purchase are all created directly in GP. GP is the official auditable system of record for all purchasing and disbursement transactions; other referenced systems support GP.

Concord = Contracts management database. The Professional Service Agreement is created and/or filed in Concord, referenced by the associated Purchase Order number.

PR = Purchase Requisition

RR = Receiving Report

PO = Purchase Order

Professional Service Agreement (PSA) = A contract for professional services with detailed scope of work that supports a services purchase order

Vendor = Any individual or entity providing goods or services to the College that is not an employee of the College, a contracted faculty member, an applicant for a vacant employee position, or a student enrolled in the College

5. Procedural Steps

The following is a summary of the purchasing process that will be followed for all proposed procurements, regardless of funding source; detailed procedures for each step are provided following the summary section. No disbursement for goods or services procured from vendors can be made outside of this process.

1. The first step in the purchasing process is the purchase requisition (PR); this step ensures full required authorization to proceed with the procurement, and that sufficient budget has been encumbered for the ultimate purchase. The requisitioning department will submit a PR form in accordance with the Purchase Requisition process below. If the requisitioning department wishes to propose a vendor at the time of the requisition, they will enter the vendor name on the PR; otherwise, they will select "Unlisted Vendor". If the proposed vendor is not already established within e-Requestor, the requisitioner will follow the Creation of Vendors process below.
2. For PR's related to the procurement of services, a Professional Services Agreement (PSA) will be required under three conditions: (1) the vendor requires an executed contract prior to providing services; (2) the amount of the PR is greater than \$5,000; (3) the PR involves a multiple year commitment for services. The Purchasing Agent will work with the requisitioner and the proposed vendor to finalize the PSA. All PSA's will reference the related PO number.
3. The College must submit a purchase order (PO) to the vendor to finalize the College's legal commitment to authorize the procurement of goods or services. No PSA will be executed by the College until a signed PO has been issued to the vendor, per the Purchase Order process below.
4. Payment for purchases will be authorized only when the following three steps have been taken: (1) an original invoice has been submitted directly from the vendor to the Finance Accounts Payable Office; (2) for the purchase of goods, the Facilities Office has received the goods in satisfactory condition; and (3) the amount of the invoice does not exceed the amount approved on the PO, and the invoice complies with the terms of the PO and referenced PSA, if applicable.

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Creation of Vendors

All vendor information is maintained in GP by the Accounts Payable Technician in accordance with SOP FIN.032. The creation of new vendors will be requested by departmental Administrative Assistants (AA) via the Vendor Create Form. The requisitioner will be required to request and submit to the Finance Office a W-9 Form for any new vendor request. The Purchasing Agent will review and approve all Vendor Create forms, ensuring that proposed vendors have met criteria appropriate to the purchase. Vendor fields for all approved vendors will be maintained to collect all data required for federal procurement compliance as defined in Policy B3060, including minority business status, women's business enterprises status, and labor surplus area status. No vendor of a contract of \$25,000 or greater, and no subrecipient, who is suspended or disbarred by the U. S. Government will be approved as a party to any federal procurement action. Purchase requisitions will reference existing approved vendors. Vendors may be identified by requisitioners as either "critical" or "high risk" on the Vendor Create Form, or subsequently on processing the Purchase Requisition; the Accounts Payable Technician will code this classification in GP as a part of the permanent vendor record, and the Purchasing Agent will code this classification in Concord as a part of the permanent PSA record, and periodically review the file of active vendors in compliance with the Vendor Management SOP FIN.032. The Controller will perform or cause to be performed a reconciliation of active vendors as reported in the Concord database to the GP vendor records, at least annually.

Purchase Requisition

Purchase Requisitions (PR) are the requisitions entered by the Department's designee or Administrative Assistant into e-Requestor. Requisitioners can determine if a vendor is already established through e-Requestor. All approved requisitions are converted to a purchase order document which is then automatically uploaded to GP. Regardless of the dollar amount a department is required to enter a PR prior to obtaining goods and services. No purchase may be made until the PR has been reviewed and approved by the Department Head and above and by the Finance Office, as presented in Policy B3011 Fiscal Management. In the rare event that a requisition cannot be processed through e-Requestor, the requisitioner should contact the Controller who will consider if the PR can be processed via the Manual Purchase Requisition form. Requisitions for hiring a Visiting or Guest Lecturer, who will be performing very limited services in comparison with an Adjunct Faculty Member, should separately complete a Visiting/Guest Lecturer Requisition form in lieu of a PR.

For federal procurements, which will be identified as such based upon the account coding submitted as a required data field on the PR, the following additional steps will be required prior to converting a PR to a PO, to be supported by completion of the Federal Procurement Checklist by the Purchasing Agent:

1. Micro-purchases (< \$10,000): no price quotations are necessary, but the price needs to be reasonable.
2. Small purchases (\$10,000 - \$250,000): price or rate quotations must be obtained from an adequate number of qualified sources.
3. Sealed Bids / Competitive Proposals (> \$250,000): formal bidding or RFP process is used.
4. The noncompetitive proposals method (i.e., solicit a proposal from only one source) may be used, but only when one or more of four circumstances are met as defined in federal regulations, and properly justified.
5. Include domestic preferences for procurements.
6. Take all necessary affirmative steps to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible.
7. Verify that all vendors with a contract of \$25,000 or greater, and all subrecipients are not suspended or debarred by the U.S. Government.

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Purchase Order

Upon approval of a PR, a Purchase Order (PO) is created by the Purchasing Agent in e-Requestor. For purchases of professional services, a PSA is executed by the vendor prior to the creation of the PO authorizing the services. If a PSA is required, the Purchasing Agent will finalize the form of the PSA with the vendor and obtain first the vendor's and then the President's execution of the PSA through Concord at the time of finalization of the PO; the Purchasing Agent will submit both the PO and the fully executed PSA to the vendor at the same time. The PO will incorporate all approved PSA terms (if applicable) by reference and will establish other default terms such as payment terms and requirements of vendors to provide proof of insurance or certain indemnification statements as appropriate to the procurement in the judgment of the Purchasing Agent. All procurement from vendors must be authorized via the purchase order process, with expanded contractual documentation of service expectations for all professional service agreements. The College maintains the contractual right to terminate all such agreements should expectations not be met. The College will maintain records sufficient to detail the history of all procurement activity.

Purchase Order Disbursement

Upon delivery of goods or services, vendors will submit invoices to Fiscal Specialist in the Finance Office. If a requestor receives an invoice directly, submit the original invoice to the Finance Office. Payments are initiated by the Fiscal Specialist upon receipt of an invoice from the vendor. All vendor invoices must reference the Purchase Order number, not the Purchase Requisition.

Receiving information

Staff and Faculty are not to directly receive any purchased goods. Purchased goods are physically received by the Facilities Department. The Facilities Coordinator records and enters the receiving of purchased goods into GP. Purchased goods are distributed by Facilities. A receiving report (RR), which includes either notification that goods have been received and meet expectations (a "3-way match" transaction), or authorization to pay for services rendered (a "2-way match" transaction), must be completed by the Fiscal Specialist for 3-way match transactions and by the Accounts Payable Technician for general 2-way match transactions to authorize the payment, based upon requisitioner approval email. Each week, the Fiscal Specialist and the Accounts Payable Technician will match approved PO, RR and invoices to authorize cash disbursements. Clinical Education transactions for payment of preceptors are authorized through an upload of their approval from a subsystem to GP; all other requestors inform the Finance Office via email of their approval for the Fiscal Specialist to enter 2-way match RR upon receipt of invoice.

Purchase Order Disbursement

Upon delivery of goods or services, vendors will submit invoices to Accounts Payable Technician in the Finance Office. The Accounts Payable Technician will process invoices for payment in GP only after matching the terms of the invoice to the PO and the approved RR. If a requestor receives an invoice directly, submit the original invoice to the Accounts Payable Office; the Finance Office is not responsible for the timely payment of invoices which are not submitted by the vendor directly to the Accounts Payable Office, per standard payment terms incorporated into the PO. Payments are initiated by the

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Accounts Payable Technician upon receipt of an invoice from the vendor. All vendor invoices must reference the Purchase Order number, not the Purchase Requisition number; no payment will be made to a vendor without a purchase order number. If the invoice does not agree with the terms of the referenced PO, the Accounts Payable Technician will not process the payment until authorized by the Controller to do so; revisions to the PO and related budget encumbrance will be made as necessary to match the invoice terms under the direction of the Controller.

Issuance of Payment

Checks and ACH transfers are processed and released weekly or as otherwise scheduled following the approval of the Controller. Checks will be mailed to vendors unless a check pick-up has been expressly requested and approved on the PR; in this case, the Finance Office will provide the payment to the requestor.

The Accounts Payable Technician will make every attempt to process invoices that have discount payment terms within the discount period. All other invoices are paid within 30 days of the invoice date (net 30), unless other payment terms have been agreed to in the PO.

There is a weekly disbursement approval cycle; questions about pending disbursements should be directed to the Accounts Payable Office. A pending disbursement request will be in one of the following stages:

- a. Under review
- b. Approved or declined (declined requests will be returned to the requestor immediately)
- c. Approved but waiting for payment scheduling
- d. Scheduled for payment
- e. Paid

Credit Card Purchases

Any purchases made with the BCOM credit card must have an approved purchase requisition or approved travel requisition before proceeding with any expenditure.

NOTE: The only exception will be given to the CEO or CAO. A purchase request will be completed in arrears by either party that utilizes the card.

Group Meal Purchase Guidelines

1. Per-Person Limit:

- The maximum allowable cost for group or event lunches is \$20 per person, inclusive of tax, tip, and any service fees unless approved in writing by the President or Dean of the College.

2. Tipping Guidelines:

- Tips should follow the guidance below:
 - A minimum tip of \$5 is suggested for delivery orders.
 - For delivery or catering orders over \$100: up to 10% of the total bill not including delivery fees or taxes.

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- For orders under \$100: up to 15% of the total bill not including delivery fees or taxes.
- For takeout or pickup orders: 5% to 10% of the total bill not including fees or taxes is appropriate.
- If a delivery or service charge is already included, the tip should not exceed 10%.
- The maximum allowable tip for delivery and pick up orders is \$50, unless a higher amount is pre-approved by President or Dean of the College.

3. Pre-Approval Requirements:

- A Purchase Requisition must be submitted in advance of the event.
- The requisition must include the expected head count.

4. Post-Event Documentation:

- For non-student-oriented events, the event organizer must submit:
 - A final list of attendees
 - The receipt and any relevant event documentation
This documentation should be submitted to the Finance Office with the reimbursement or purchasing paperwork.
- For student-oriented events, only the receipt and event documentation are required. A list of participants is not required.

5. Non-Compliance:

- Expenses that do not comply with this policy may be denied for reimbursement or payment.
- Ongoing non-compliance may result in restricted future approval.

Expense Reimbursement

The procurement of goods or services should be processed in accordance with the above procedures. An employee may purchase de minimis goods and/or services out of pocket when the standard procurement process cannot be followed, with the approval of the Controller. An Expense Reimbursement (ER) request may be entered by the Department's designee or Administrative Assistant through e-Requester with original receipts within 7 business days after the purchase was made, per SOP FIN.015. Approval process for the ER is the same as for PR process; justification for the use of the ER for non-travel expenses will be required as a part of the submission. If a pattern of abuse of the procurement process is evident in the judgment of the Controller, future reimbursement privileges may be withheld for certain employees on a case-by-case basis.

Travel Expense/Reimbursement

Refer to SOP FIN.018.00 for Travel Expense/Reimbursement.

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6. Reports/Charts/Forms/Attachments/Cross References

Purchase Requisition (Manual), Visiting/Guest Lecturer Requisition and W-9:

[Burrell College of Osteopathic Medicine – Finance Forms \(bcomnm.org\)](http://bcomnm.org)

E-Requestor User Guides: [Burrell College of Osteopathic Medicine – Finance \(bcomnm.org\)](http://bcomnm.org)

Federal Procurement Checklist

Vendor Request Form

Receiving Report Authorizing Two-Way Match

7. Maintenance

Office of the Controller; updated whenever an external reporting requirement is added or changed.

8. Signature

Approved by

CFO

6.6.2025

Date

9. Distribution List

Internal/External

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10. Revision History

Revision Date	Subsection #	Summary of Changes	New/Cancellation/Replacement Procedure? (if applicable)	Approval Date
11.19.2021	5	Added information about processing new vendors via e-requestor.		12.1.2021
11.19.2021	5	Added information about preceptor payment process		12.1.2021
9/13/2022	5	Added information about receiving goods.		9/13/2022
5/10/2024		Title Change		6.5.2024
5/10/2024	4	Added definition of Concord		6.5.2024
5/10/2024	5	Expanded Creation of Vendors, Purchase Requisitions,		6.5.2024
5/10/2024	5	Added Purchase Order Disbursement		6.5.2024
5/10/2024	5	Detailed Expense Reimbursement		6.5.2024
6/5/2024	5	Added Group Meal Purchase Guidelines.		6.6.2025
6/5/2024		Updated Vice President of Administration/CFO to CFO		6.6.2025