

## MEMORANDUM

**DATE:** April 9, 2015

**TO:** Vice Presidents, Deans, Directors, Department Heads, Budget Managers, and Administrative Staff

**FROM:** Don Buffum, CPPO, Director of Procurement and Contracts

**REFERENCE:** End of Year Purchasing, Accounts Payable, and Procurement Card Issues, Final FY 14-15 Requests / New FY 15-16 Standing Requests

In anticipation of the end of the current fiscal year, the beginning of a new year and with the goal of ensuring maximum efficiency and effectiveness of the procurement function, we ask that you carefully review this memorandum and closely adhere to the instructions and time lines set forth.

### **End of Fiscal Year Purchase Requests – FY 14-15**

So that we may properly process your requests for purchases of commodities and equipment and payment of invoices before this fiscal year closes, please follow these guidelines:

1. All requisitions for equipment and commodities requiring bids should be in Procurement and Contracts no later than **May 15, 2015** in order to clear the process and obtain any required approvals.
2. All other requisitions for the current fiscal year should be in Procurement and Contracts no later than **June 15, 2015**. This deadline should not be interpreted as a shut down in Procurement and Contracts. Procurement and Contracts endeavors to complete all purchases submitted in the fiscal year. Anything received after this date will be handled as expeditiously as possible but we cannot guarantee completion prior to the end of the fiscal year. Please make sure all attachments and required documentation is received by Procurement and Contracts by this deadline.

Please process receiving reports and partial payment forms as quickly as possible so that the Controller's Office can clear the books for fiscal year 14-15. All payments will be processed based on date of expenditure, not receipt of payment requests.

### **Requisitions for FY 15-16 Standing Orders**

The standing order is a valuable tool that can save time and money if used properly. The Procurement Card is a similar tool, which can meet many of the same needs, while actually reducing the administrative expense.

A standing order is an order, which is used repeatedly (at least once a month), throughout the fiscal year (July 1 - June 30) for purchases of supplies, services and materials, which do not

exceed a specified dollar limit per day. In the past, many departments did standing orders for restaurants, hardware stores, repair shops, etc. Now that most of these expenses can be covered with the Procurement Card, we do not believe there will be a need to do standing orders. If a department feels the need to issue a standing order, we will ask that they submit a brief explanation as to why the standing order is needed and why the Procurement Card will not meet the needs of the department.

All standing orders for commodities must be approved by the Office of Purchasing and Travel (OPT) in Jackson. OPT approval is not required for standing orders for service contracts. To receive approval, the request must be submitted using the Item Listing Form <http://www.dfa.state.ms.us/Purchasing/Forms/PIWebprocure.pdf>

Also, include the following in an attached memo:

- A brief justification of the need for a standing purchase order in lieu of normal P.O. procedures. This should include, but not be limited to, an estimate of the quantity of purchase orders that would be required if the Standing Purchase Order Procedures are not used.
- A general description of the commodities/services and the maximum amount per invoice.
- And must include the following statement
  - "This is to certify that only the commodities/services shown will be purchased and that no items currently covered by any state contract will be purchased under the terms of this purchase order without proper approval from the Office of Purchasing, Travel and Fleet Management. This procedure will not be used to separate purchases so as to circumvent any laws, regulations or policies of the State of Mississippi."

So that we may have your FY 15-16 standing orders and C-bids processed and ready for use next fiscal year, we ask that you submit requisitions to Procurement and Contracts no later than **May 1, 2015**. This will give us sufficient time to input the data, obtain additional approvals and have the orders ready a few days prior to the beginning of the fiscal year.

If there is truly a justifiable need for a standing order remember to type on the requisition "Not to exceed \$5000.00 on any one day or any one project"– or an amount lower, as determined by the individual department. Everyone is reminded that breaking an order up over several days so as not to exceed the limitation is considered a circumvention of the policy and law.

All requisitions for maintenance and prepay orders for the fiscal year 15-16, beginning July 1<sup>st</sup> and ending June 30<sup>th</sup>, should be keyed the first week in July. Any requisition for the new fiscal year entered prior to July 1<sup>st</sup> will be canceled. Please consider using the procurement card for memberships and subscriptions under \$5,000.00.

**NOTE:**

For July 1, 2015, standing orders make sure to change all three dates as follows:

**ORDER DATE: 01-JUL-15**  
**TRANS DATE: 01-JUL-15**  
**DELIVER DATE: 02-JUL-15**

Examples of standing orders are on the Procurement and Contract website at <http://www.procurement.msstate.edu/procurement/requisition>. Please use these as you prepare your requisitions. In the past, there have been a large number of requisitions entered with numerous errors and missing information. This causes our staff to spend extra time getting these requisitions processed. We have determined that we will give highest priority to those requisitions entered properly. Those requisitions, which require excessive effort, will be processed on a “time available” basis. We apologize for any inconvenience this may cause but we feel that those departments, which take the time and effort to submit “clean” requisitions, deserve the rewards that go along with their added effort. If anyone has questions about the proper way to submit a requisition, please feel free to contact our staff.

Remember not to key requisitions for Prepay orders until the first week in July or these will be canceled.

**Accounts Payable**

End of Year Processing for Payment Vouchers

(Processing Direct pay & invoices for payment)

FY 14-15 (July 1, 2014 – June 30, 2015) Documents Keyed before June 26, 2015

Do not key any vouchers between the June 29, 2015 and July 13, 2015

Do not use discount code 52 (end of year only)

PO invoices must be entered into tracking prior to keying for payment

If you have any problems e-mail AP-Help

**All Purchase Orders, Invoices and Direct Pays must be keyed through all approval queues, and received by Accounts Payable by June 26, 2015**

**PO Invoices/Direct Pay Vouchers**

FY 14-15 (July 1, 2014 – June 30, 2015) Documents keyed after July 13, 2015

Do not back date any vouchers

Bring to our attention any FY2 14-15 vouchers that came in FY 15-16 so that we may accrue properly

FY 15-16 (July 1, 2015 – June 30, 2016)

All FY 15-16 documents keyed starting Monday, July 13<sup>th</sup> will use the default transaction date.

If you have a July expense that needs to be paid prior to June 26, 2015, please contact Helen Callahan or Linda Makamson for special processing instructions before keying the FAAINVE document.

## **Procurement Card**

To try to ensure purchases on ProCard are on this Fiscal Year (FY 14-15) budget, make sure to purchase (run the card) no later than June 12<sup>th</sup>. If the transaction does not post by June 17<sup>th</sup> when the statement cuts off, it will be on the next FY budget. Some transactions even after June 12<sup>th</sup> may post in the current fiscal year, but that cannot be guaranteed.

When putting your audit material together make sure you only provide use with the following: 1 copy of the invoice and any Procurement and Contracts required forms (food, hotel, membership dues, property acquisition and Purchasing Manager approval when over \$5,000.) Also please make sure the order of your audit is: JV printout, statement, invoices (in the order of the statement) and required forms behind each invoice (when applicable).

New equipment account codes came out November 2010. We still have many disapprovals each month based on people not using the new codes and not giving a description of the items purchased. The new codes are commodity equipment account codes, which means you still have to inventory the item (\$1,000+ or any item on the equipment exception list), but the single item is under \$5,000. We are not changing the method of purchase (equipment card) only the account code. A list of the new account codes are listed below. Also please make sure that you put a description of the item purchased when using equipment codes.

### **Commodity Equipment Account Codes**

406710 - Furniture/Office Equipment (<5,000)  
406720 - Vehicles (<5,000)  
406730 - Ag/Outdoor Equipment (<5,000)  
406740 - Medical Equipment (<5,000)  
406750 - Computer Equipment (<5,000)  
406760 - Media Equipment (<5,000)  
406770 - Scientific Equipment (<5,000)  
406780 - Consumable Equipment (<5,000)  
406790 - Other Equipment (<5,000)

### **Equipment Account Codes**

408210 - Furniture/Office Equipment (>=5,000)  
408220 - Vehicles (>=5,000)  
408230 - Ag/Outdoor Equipment (>=5,000)  
408240 - Medical Equipment (>=5,000)  
408250 - Computer Equipment (>=5,000)  
408260 - Media Equipment (>=5,000)  
408270 - Scientific Equipment (>=5,000)  
408290 - Other Equipment (>=5,000)  
408298 - Equipment Titled to Sponsor (>=5,000)

When using restricted funds when purchasing equipment, an equipment requisition form needs to be filled out and approved before you make a purchase. This is required for any equipment purchase no matter what the cost if using restricted funds. If the equipment is over \$5000 then you should get this approved by SPA before sending it over to Procurement for approval from your purchasing manager.

In an effort to cut back on direct pays and purchase orders issued, you are reminded that the following items **CAN** be paid on the ProCard:

- 1.) Utilities (electric, gas, television, phone, etc.)
- 2.) Shipping costs (FedEx, UPS, USPS, etc.)
- 3.) Food for persons (Aramark, Restaurants, catering, etc.)
- 4.) Consultant fees and consultants travel
- 5.) Page charges in publications
- 6.) Maintenance (copiers, renewals)
- 7.) Services (repairs, copies, moving cost, testing, etc.)
- 8.) Lab supplies & lab testing supplies
- 9.) Advertisements & Subscriptions
- 10.) Software

If you have any questions pertaining to end of year processing procedures, please feel free to contact the office of Procurement and Contracts.