



UNIVERSITY PROCUREMENT SERVICES PROCEDURES MANUAL



University Procurement Services is a unit within [University Finance and Administration](#) that manages a diverse selection of goods and services used by Rutgers University. University Procurement Services establishes and handles all supplier relationships and associated processes with the university, from sourcing, contracting, placing orders, shipping, receiving, invoicing and payments. University Procurement Services is committed to conducting Rutgers' purchasing initiatives in an ethical and sustainable manner.

University Procurement Services also manages Rutgers's purchasing card program and its travel and expense policy and processes.

This Procedures Manual offers the university community a guide to the procurement process, from beginning to end.

Procedures Manual topics include:

- Procure-to-Pay/Oracle Expense Management System
- Supplier Management
- Sourcing
- Contracting
- Ordering Goods and Services
- Shipping and Receiving
- Invoicing
- Payments
- Records Maintenance
- Ethical Conduct
- Travel and Expense Management



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STANDARD OPERATING PROCEDURE: 1.0 PROCURE-TO-PAY/ORACLE EXPENSE MANAGEMENT SYSTEM

This procedure is in accordance with Procurement and Payment Policy [20.1.11](#).

Introduction

University Procurement Services is a primary point of contact for all procurement, payment, procurement card, and travel and expense activities. University Procurement Services also delivers procurement-to-pay and expense tools, policies, standards and procedures for faculty, staff, and students who are conducting University business.

Depending on the type of transaction to be completed, Rutgers University utilizes two systems, RU Marketplace and Oracle Expense.

- **RU Marketplace** - the university-wide automated e-Procurement system used for procuring and paying for goods and services. [RU Marketplace](#) covers all stages of the procurement-to-payment process (sourcing, contract management, supplier management, requisitions and ordering, accounts payable).
- **Oracle Expense**- the Oracle financial management expense solution is the automated online tool used for expense management. Rutgers employees use this system to submit, approve, process, and pay expense reports.

For training and additional resources on RU Marketplace and Oracle, please visit University Procurement Services' [Training and Resources](#).

Procedure Outline

- 1.1 Accessing RU Marketplace
- 1.2 RU Marketplace Training
- 1.3 Accessing Oracle Financial Management System
- 1.4 Oracle Expense Training

Definitions

Standard Operational Procedure (SOP): A set of instructions that functionally describes the key procedures.

Procedures

1.1 Accessing RU Marketplace

Approved personnel can access RU Marketplace through the [myRutgers Portal](#). Permission and approval to use RU Marketplace to shop and perform procure-to-pay activities is at the discretion of a user's supervisor/manager.

To request access to RU Marketplace for the first time, or to request a change in authorized role, users should download and follow the instructions on the "[RU Marketplace Access Form](#)" on the University Procurement Services Website.

Users have different roles when using RU Marketplace, as follows:

- **Shopper** – the default role. The shopper has the ability to browse catalogs but cannot place requisition orders. Can create a "shopping cart" and send to a Requisitioner.
- **Inquirer** – the role assigned to individuals who need to be able to view purchasing requisitions and invoices in RU Marketplace. An Inquirer is authorized to access the system in a limited manner, and cannot submit a requisition or approve an invoice.
- **Requisitioner** – the role assigned to individuals who have the responsibility for submitting purchasing requisitions into RU Marketplace. The Requisitioner has access to, and knowledge of, the Chart of Accounts that must be input as the fund source for a transaction. A unit's department administrator or other administrative staff member is often a Requisitioner.
- **Approver** – the role assigned to individuals responsible for affirming a unit's purchasing requisition based on budget and policy. An Approver cannot approve their own requisition. An Approver may be responsible for approval of invoices in excess of \$5,000. The Approval hierarchy is driven by the Unit-Division-Organization (UDO) or the Project ID of the Chart of Accounts used to fund the transaction. A unit's business manager may be an Approver.
- **IPO Invoice Processor** – the role assigned to individuals responsible for affirming a unit's purchasing requisition that involves an Internal Purchase Order (IPO). Individuals with this role cannot approve their own requisition. The approval hierarchy is driven by the IPO referenced in the requisition.

1.2 RU Marketplace Training

University Procurement Services offers training and resources to users on RU Marketplace system functionality and processes, and procedures related to requisitions, purchase orders, and invoices.

To register for an instructor-led training class, users should log in to the [Cornerstone Registration Course Website](#).

To obtain a complete listing of available online training materials, that include PDF presentations, PDF job aids, and videos, users should visit the [Canvas online learning management system](#).

1.3 Accessing Oracle Expense

All University faculty and staff have the ability to access [Oracle Expense](#) to create an expense report.

To request access to Oracle Expense for the first time, or to request a change in authorized role, users should download and complete the form on the [Office of the University Controller website](#). Rutgers University employees can access Oracle Expense through the [myRutgers Portal](#). Users have different roles when using the Expense module:

- **Employee** – the role assigned to a user authorized to create and submit expense reports, manage bank accounts, manage delegates, and request cash advances. All employees in the Human Resource System have this role.
- **Delegate** – the role assigned to an individual who can enter an expense report on behalf of another employee/user. Employees must assign their delegates themselves.
- **Expense Approver** – the role assigned to an individual responsible for reviewing expense reports to ensure policies are being followed and proper documentation is attached, typically the business manager.
The approver:
 - should have authorization over the account being charged
 - should not be the individual seeking reimbursement
 - is typically the Business Manager or the traveler's direct supervisor
 - should not be asked to approve the travel or entertainment expenses for an individual to whom they report
 - can only approve those expense reports within their authority
- **Reassignee Approver** – the role that is authorized by the expense approver to review and approve expense reports reassigned to them.
- **Auditor** - the role assigned to individuals within University Procurement Services who can perform audits on expense reports.

1.4 Oracle Expense Training

University Procurement Services offers training and resources to users on Oracle Expense system functionality and processes, and procedures related to expense reports and approval.



To register for an instructor-led training class, users should log in to the [Cornerstone Registration Course Website](#).

To obtain a complete listing of available online training materials, that include PDF presentations, PDF job aids, and videos, visit the [Canvas online learning management system](#).

References

Revisions

Effective Date	Approver	Change Reference	Issue #



STANDARD OPERATING PROCEDURE: 2.0 SUPPLIER MANAGEMENT

This procedure is in accordance with Procurement and Payment Policy 20.1.11.

Introduction

Supplier Management is a set of processes, activities, systems and information management tools that allows Rutgers to manage and have maximum visibility into all activities associated with a supplier. University Procurement Services is responsible for setting up a supplier in the Rutgers system for the first time, changing any needed supplier information, supplier registration, diversity, sustainability, and ongoing supplier relationship management.

Procedure Outline

- 2.1 New Supplier Set Up**
- 2.2 Supplier Record Maintenance**
- 2.3 Prospective Suppliers**
- 2.4 Supplier Ethics**
- 2.5 Debarred Supplier List**
- 2.6 Supplier Diversity Program**
- 2.7 Federal Contracting and the Small Business Contracting Plan (SBSP)**
- 2.8 Sustainability**
- 2.9 Supplier Management Post Contract Award**

Definitions

Corporation: An organization that is recognized as having a legal existence as an entity separate and distinct from its owners. Corporations are owned by their stockholders (shareholders) who share in profits and losses generated through the firm's operations.

Employer Identification Number (EIN): A unique nine-digit number assigned by the Internal Revenue Service (IRS) to business entities operating in the United States for the purposes of identification. The EIN is also known as the Federal Tax Identification Number.

Independent Contractor or Employee Determination Form (ICED): This is a prerequisite document for guest lecturer, honorarium, or professional services engagements, that the prospective supplier must complete and must be reviewed and approved by University Procurement Services or University Tax Department prior to any start of service.

Individual Tax Identification Number (ITIN): A tax processing number only available for certain nonresident and resident aliens, their spouses, and dependents who cannot get a Social Security Number (SSN). It is a 9-digit number, beginning with the number "9", formatted like an SSN (NNN-NN-NN).

Limited Liability Company (LLC): A organization whereby the members of the company cannot be held personally liable for the company's debts or liabilities. This is a hybrid entity that combines the characteristics of a corporation and a partnership or sole proprietorship.

Partnership: An organization in which two or more individuals pool money, skills, and other resources, and share profit and loss in accordance with terms of the partnership agreement.

RU Marketplace: RU Marketplace is the university online system that covers all stages of the procurement-to-payment process. This system provides a comprehensive approach to the provider and end user. The tool also allows for data analytics by measuring the effectiveness of contracts, transaction approval cycle times, and use of automated invoice processing.

Social Security Number (SSN): A unique 9-digit number in the format 000-00-0000 issued to individuals in the United States to track Social Security benefits and for other identification purposes.

Sole Proprietor: A business that legally has no separate existence from its owner. A sole proprietorship is the simplest business form under which one can operate a business. The sole proprietorship is not a legal entity. It simply refers to a person who owns the business and is personally responsible for its debts.

Standard Operational Procedure (SOP): A set of instructions that functionally describes the key procedures.

Supplier: Any individual, company, corporation, partnership or sole proprietor that provides goods or services to the University.



Tax Identification Number (TIN): A identification number used by the Internal Revenue Service (IRS) in the administration of tax laws. The TIN is also known as the Employer Identification Number (EIN).

Unit: A Rutgers internal department.

University Procurement Services (UPS): The department that processes all procurement transactions including requisitions and invoices, facilitates the formal bid process, and negotiates and manages contracts.

W-8 Form: A form that certifies foreign status and needs to be completed for any foreign individual (W-8BEN) or company (W-8BEN-E) when the University is making a payment to them. It is also used to validate a tax treaty exemption from, or a reduced rate of, withholding on certain income.

W-9 Form: A request for a taxpayer identification number and certification. This form is requested from suppliers to conform to IRS regulations. Rutgers must have a federal tax identification number or social security number on file for all suppliers and individuals receiving payments from the University and this form is used to certify those numbers.

Procedures

2.1 New Supplier Set Up Process

Prior to purchasing a good or a service, a supplier must go through an approval process by University Procurement Services. If the supplier is already established in [RU Marketplace](#), the supplier has been approved. A supplier must be set up whether they are an individual, LLC, partnership, or sole proprietorship (see [New Supplier Request Process Instructions](#)). Units can check for supplier set-up by entering the supplier name in any of the requisition forms in RU Marketplace. Units must still follow the sourcing process (see [3.0 Sourcing](#)) to complete the purchase.

- 1) **Required New Supplier Set-up Information and Documents** - If there is no supplier record in RU Marketplace, the unit will need to fill out and submit a New Supplier Request Form.

The required information includes:

- Name
- Address
- Tax ID/SSN number
- Phone number
- Fax number
- Email address
- Signed W-9 (US entity) or W-8 (foreign entity)

- 2) **New Supplier Screening** - New Supplier Request will be routed to University Procurement Services who will perform a general screening that includes:

- Confirming the tax identification number valid
- Confirming the supplier is not on the debarred supplier list (see [SAM.gov](#))
- Confirming the supplier is not a current employee of Rutgers
- Confirming the supplier record does not already exist

Once the screening process is complete and no issues are discovered, the supplier record will be added to RU Marketplace. If an issue is discovered or a supplier appears on the debarred list, a member of the University Procurement Services will contact the requesting unit.

2.2 Supplier Record Maintenance

From time to time, updates to a supplier record will be required. Units should request changes to a supplier record by submitting a *Supplier Maintenance Form* in [RU Marketplace](#) and following the instructions on the form. See [Supplier Maintenance Request Process Instructions](#).

Typical changes include:

- New address
- Changes to an existing address or contact information
- Change in name
- De-activation due to going out of business or purchase by another company

If the supplier tax identification number is changing, a new supplier record will need to be entered. The old record will be de-activated once the new record has been entered. The unit will need to provide the new signed W-9 or W-8.

University Procurement Services will also check the debarred list prior to approving any change request. If the supplier appears on a debarred/excluded parties list, the request will be rejected and returned to the unit. University Procurement Services will then need to take further action.

2.3 Prospective Suppliers

Suppliers who are interested in pursuing opportunities with Rutgers are encouraged to:

- 1) Contact the appropriate [category manager](#) to introduce the company, who will forward any information to the appropriate category analyst.
- 2) Complete and submit a [supplier registration form](#) on the University Procurement Services website and send to the Supplier Diversity Manager at diversitypurchasing@finance.rutgers.edu. The supplier's information is added into the supplier repository database for future consideration as opportunities arise.

2.4 Supplier Ethics

Current and prospective suppliers are prohibited from giving money, loans, credits, entertainment, favors, services or gifts to Rutgers employees. Such gifts and gratuities, even if of seemingly low value, can give rise to a conflict of interest or the appearance of a conflict of interest. Such gifts will be promptly disposed of. If it is deemed necessary to visit a supplier site for a demonstration, the university pays all related expenses. Please see [Rutgers policy 40.2.12 - Gratuities, Guests, Gifts and Use of University Resources.](#)

2.5 Debarred Supplier List

Rutgers University complies with Federal regulations that prohibit transacting or making payments to suppliers that are debarred or appear on a prohibited list maintained by the [U.S. Federal Contractor Registration](#), or other federal agency. This applies to all procurement and disbursement transactions including but not limited to suppliers, individuals, external / independent contractors or consultants, professional services providers, entertainers, performers, one-time lecture fees and construction related goods and services.

University Procurement Services is responsible for confirming that suppliers are not on the debarred list. No contract, agreement, purchase order, or payment by Rutgers is allowed at any time to such suppliers or parties. University Procurement Services will cancel any contracts, agreements, or purchase orders inadvertently issued, and will return unprocessed any invoices submitted for payment.

If any current suppliers appear on the denied parties/debarred list, the following steps will be taken by University Procurement Services:

- 1) Deactivation of the supplier in RU Marketplace/ Oracle.
- 2) Notification to [University Ethics and Compliance.](#)
- 3) Location of any open transactions with the supplier and notification to the unit responsible for the transaction.
- 4) Closure of any open transactions subject to the terms of any existing contracts.

2.6 Supplier Diversity Program

Rutgers' Supplier Diversity Program seeks to build business relationships between qualified minority-owned, women-owned, veteran-owned, Labor Surplus Area (LSA) and small business enterprises and the university. To diversify Rutgers' supplier base, University Procurement Services educates and encourages small and diverse suppliers to compete for university business opportunities.

Small businesses that meet a certain set of criteria outlined below, and are certified by the relevant state or federal entity, may qualify for participation in Rutgers University's Supplier Diversity Program:

- **Minority Business Enterprise (MBE)** – the business is at least 51 percent owned, operated and controlled by minorities, and the management and daily business operation are controlled by one or more minorities who own it. For the purposes of Rutgers University Supplier Diversity Program, minority group members include African Americans, Asian Americans, Hispanic Americans, and Native Americans.
- **Women-Owned Business Enterprise (WBE)** – the business is at least 51%, operated and controlled by women, and the management and daily business operations are controlled by one or more women who own it.
- **Disadvantaged Business Enterprise (DBE)** - A for-profit small business that is at least 51% owned by one or more individuals who are both socially and economically disadvantaged or, in the case of a corporation, in which 51% of the stock is owned by one or more such individuals. Management and daily business operations must be controlled by one or more of the socially and economically disadvantaged owners.
 - **Economically Disadvantaged Individuals** - Those for whom impaired access to financial opportunities has hampered the ability to compete in the free enterprise system, in contrast to people in similar businesses who are not identified as socially disadvantaged.
 - **Socially Disadvantaged Groups** – Groups who have been, historically, subjected to racial or ethnic prejudice or cultural bias within the larger American culture; identified groups include: women, African Americans, Asian Pacific Americans, Hispanic Americans, Native Americans, and Subcontinent Asian Americans; members of other groups may qualify if they can satisfactorily demonstrate that they meet established criteria.
- **Veteran-Owned Business (VBE)** – the business is at least 51% owned, operated and controlled by a veteran or veterans.
- **Labor Surplus Area (LSA)** - government-designated towns and counties that have experienced severe unemployment. These areas are designated by the United States Department of Labor on a yearly basis.

To participate in the program, suppliers should complete and submit a [supplier registration form](#) on the University Procurement Services website and send to the Supplier Diversity Manager at diversitypurchasing@finance.rutgers.edu.

2.7 Federal Contracting and the Small Business Contracting Plan (SBSP)

As a recipient of federal funds for sponsored research, the University is required by Federal Acquisition Regulation (FAR 52.219-9) to prepare a [Small Business Subcontracting Plan \(SBSP\)](#) for each contract with



an awarded value in excess of \$700,000. Under these plans, prime contractors and subcontractors, such as Rutgers, must agree to purchase a percentage of goods and services from certified Small Business Concerns. Some federal agencies set specific percentage goals.

Small business concerns include:

- Small Disadvantaged Business (SDB) Concerns
- Women-Owned Small Business (WOSB) Concerns
- Historically Black Colleges and Universities (HBCU) and Minority Institutions (MI)
- HUBZone Small Business (HUBZone SB) Concerns
- Veteran-Owned Small Business Concerns (VOSB)
- Service-Disabled Veteran-Owned Small Business Concerns (SDVOSB)

The SBSP is developed jointly by the principal investigator, the unit, and the [Supplier Diversity Manager](#). The SBSP specifies which items will be purchased from small business concerns, the total dollars to be spent with each small business concern, and the percentage of dollars budgeted for supplies and services that the purchases represent. Once the award has been made, the SBSP becomes part of the contract and the principal investigator is expected to meet the goals set in the plan.

As a federal contractor, the University is required to prepare semi-annual reports to the federal government of its purchases from Small Business Concerns for each contract. The University identifies Small Business Concerns and include them in the performance of these subcontract plans.

2.8 Sustainability

Rutgers is committed to environmental stewardship by promoting the use of environmentally and socially responsible products, whenever possible. From a supplier management standpoint, University Procurement Services collaborates with the University's existing supplier base to identify and highlight for the campus, their portfolio of environmentally friendly products and services.

For federal awards, University Procurement Services:

- Guides units to purchase only items that are in compliance with [Environmental Protection Agency \(EPA\) at 40 CFR part 247](#) guidelines;

For all awards, including federal awards, University Procurement Services:

- Guides units to purchase recycled and environmentally preferable products and services, when practical;
- Meets with the campus units to discuss and explore opportunities to utilize products and services with the greatest amount of recycled, recyclable, and post-consumer content;



- Collaborates with existing suppliers to identify and highlight for the campus their portfolio of environmentally friendly products and services;
- Identifies green and environmentally responsible products made available by our suppliers and pilots them within the University to validate compatibility and practicality; and
- Guides units to participate in the fleet management program that complies with the U.S. Department of Energy’s Alternative Fuel Transportation Program (see [Sourcing 3.0](#))

2.9 Supplier Management Post Contract Award and Dispute Resolution

University Procurement Services monitors selected major contracts to ensure compliance to all pricing, terms and conditions. In addition, University Procurement Services works with these suppliers to continually develop ways to drive costs down and improve services for the Rutgers community. The approach is dependent on the contract but may include:

- Reports from the supplier regarding key performance indicators (i.e. pricing, delivery data, product return data, etc.)
- Regularly scheduled meetings with the supplier (i.e. quarterly business reviews)

University Procurement Services also works with units on resolving any supplier conflicts that may arise, if requested. Units are encouraged to contact the appropriate [category manager](#) for assistance in resolving any such issue.

References

Campus Instructions

[New Supplier Request Process Instructions](#)

[Supplier Maintenance Request Process Instructions](#)

Process Flowchart

[Supplier Management](#)

Revisions

Effective Date	Approver	Change Reference	Issue #

STANDARD OPERATING PROCEDURE: **3.0 SOURCING**

This procedure is in accordance with Purchasing Policy 20.1.11.

Introduction

Rutgers University purchases a wide variety of products and services. Sourcing is the component of the procurement process that encompasses the selection of a supplier of these goods and services. University Procurement Services is responsible for assisting units with the procurement process in the most cost-efficient and convenient way possible, while ensuring compliance with university policies. Units should contact one of the [procurement teams](#) for assistance with their procurement needs.

Specific individuals in each unit are authorized to complete transactions totaling less than \$10,000 (some restrictions apply) after obtaining a quote. For purchases \$10,000 and over, University Procurement Services may be involved in the process, and must be involved for purchases \$150,000 and over. In all cases, the purchase of goods and services must be done in an open and competitive environment to ensure that prices are fair and reasonable.

For training and additional resources on Sourcing, please visit University Procurement Services' [Training and Resources](#).

Procedure Outline

- 3.1 Sourcing Order of Preference**
- 3.2 Sourcing Methods (Supplier Selection)**
- 3.3 Formal Bid Process**
- 3.4 Waiver of Bid Process**
- 3.5 Additional Required Documents**
- 3.6 Other Approvals/Notification Needed**
- 3.7 Federally Funded Sourcing**
- 3.8 Sustainability**

Definitions

Request for Proposal (RFP): A document that solicits a proposal, often made through a bidding process, by Rutgers University for procurement of a commodity, service, or valuable asset, to potential suppliers.

Standard Operational Procedure (SOP): A set of instructions that functionally describes the key procedures.

Procedures

3.1 Sourcing Order of Preference

Before making a purchase, units should consider which of the options for supplier selection is appropriate for the transaction. Typically, there is a single best that option in terms of price, time savings, and administrative costs.

Rutgers strongly encourages units to purchase goods and services in this order of preference:

- 1) **Internal supplier.** An internal supplier is a university unit that provides goods and/or services to another university unit. Related costs are billed to the receiving unit. Procurement Services generally does not assist with these transactions, except in the event of an order change (see [5.0 Ordering Goods and Services](#)).

To access the internal supplier list, units should log on to [my Rutgers Portal](#) for a complete list of active internal suppliers in RU Marketplace, using the [Active IPO Search](#) job aid for assistance. If the specific supplier is already known, units can go to Shop, and search by "IPO: vendor name". Also see [Submit an Internal Purchase Order](#).

- 2) **University-Contracted Supplier.** If a good or service is not available from an internal supplier, then units should consider purchasing from a university-contracted supplier. A university-contracted supplier is a supplier with whom Rutgers has an active contract which was either competitively bid or negotiated with suppliers that meet the requirements for Waiver of Bid procurement. These agreements may also include State contracts, GSA or other federal supply contracts, or group or cooperative purchasing agreements that the university may utilize.

Units may locate university-contracted suppliers by either:

- a) Checking the [RU Marketplace](#) punch-out catalog, which is the university's online catalog ordering system that allows authorized users to create buying carts and place orders from many of Rutgers' contracted suppliers. For more details, see [5.0 Ordering Goods and Services](#). See [Shop with a Punchout-Enabled Supplier](#) and [Punchout Process Instructions](#).
 - b) Contacting one of the [category teams](#) for a listing of available contracts.
- 3) **Other Supplier** – If the above options do not meet the need of the unit, then units must consider a purchase from another supplier. Purchasing from another supplier involves additional steps, and may require University Procurement Services. Units should refer to 3.2

Sourcing Methods for details in procuring goods from a supplier that is not an internal university supplier nor an outside supplier with a university contract.

3.2 Sourcing Methods (Supplier Selection)

If neither an internal or university-contracted supplier meets the needs of the unit, the good or service must go through a supplier selection process. The specific process is determined by the value of the purchase, however purchases of a lower value may utilize the process established for purchases of a higher value if the unit and University Procurement Services jointly determine that doing so is in the best interest of Rutgers. Units must not split purchases to avoid the requirements of a higher value supplier selection process.

The following sourcing methods must be utilized:

Purchases Under \$10,000

3.2.1. Quote and Quick Order

All requisitions of purchases of goods and services under \$10,000 (the Low Value purchase range) must have an accompanying quote from the supplier before a purchase order is issued. University Procurement Services does not need to be involved in these transactions but is available to assist as needed. Goods or services below \$10,000 are considered Low Value and can be awarded without soliciting competitive quotations if the unit considers the price to be reasonable. Rutgers units should distribute Low Value purchases equitably among qualified suppliers, and specifications should neither reference nor be written specific to a particular brand, model, or company. See the [Purchasing Checklist instructions](#).

Units must do the following prior to issuing quotes:

- Determine if excess or surplus university equipment or property can be used
- Ensure that the purchase is not for unnecessary or duplicative items
- Ensure that that minority businesses, women's business enterprises, and [labor surplus area](#) firms are used when possible (contact [Supplier Diversity Manager](#))

Please review the [How to Buy](#) section of the University Procurement Services website for a complete list of necessary activities before making a purchase.

Quick Orders

For an item under \$10,000, it is possible to issue a quick order, only if the purchase is not on a blanket order or a part of multiple smaller orders placed to bypass the \$10,000 threshold. Service orders are also not allowed on Quick Orders. With Quick Orders, the [RU Marketplace](#)

system automatically reviews purchase requests and issues a purchase order. Units must review the [list of restricted items](#) before issuing a quick order. See [5.0 Ordering Goods and Services](#). Also see [Submit a Quick Order](#).

Please review the [How to Buy](#) section of the University Procurement Services website for a complete list of necessary activities before making a purchase.

Purchases Of At Least \$10,000 And Less Than \$150,000

3.2.2. Informal Bid

All purchases of goods and services totaling at least \$10,000 but less than \$150,000 are considered to be in the Informal Bid Range and must include a price or rate quote from more than one supplier. University Procurement Services does not need to be involved in these transactions but is available to assist as needed. The number of quotes obtained is at the discretion of the unit, however a higher number of quotes provides a better benchmark of pricing and other services. Specification should be generic in nature to allow sufficient competition (no particular brand, model, or company), and quotes should not include suppliers that developed, or assisted in the development of, specifications, requirements, or statements of work, nor include suppliers with a conflict of interest.

See the [Informal Bid Intake Form](#) for the applicable checklist needed to submit a requisition (for purchases not utilizing a university contract). See the [instructions](#) and [instructional video](#) for support in completing the firm.

The lowest price may not always be the best value. Units should consider the total cost of ownership, which includes the purchase price, transportation, handling, inspection, quality, rework, maintenance, disposal, and other associated costs. Units should contact the applicable [category team](#) for assistance if needed, in the total cost of ownership analysis.

See [5.0 Ordering Goods and Services](#) for step-by-step ordering detail.

Units must do the following prior to issuing quotes (the below are incorporated in the [Informal Bid Intake Form](#)):

- Determine if excess or surplus university equipment or property can be used
- Ensure that the purchase is not for unnecessary or duplicative items
- Perform a lease versus purchase analysis where appropriate
- Ensure that that minority businesses, women's business enterprises, and [labor surplus area](#) firms are used when possible (contact [Supplier Diversity Manager](#))

A Waiver of Bid is required when there are circumstances where competitive procurement may not be possible and neither the Informal Bid nor the Formal Bid methods apply. See 3.4 Waiver of Bid Process below.

Purchases \$150,000 and Greater

3.2.3. Formal Bid

All purchases of goods and services \$150,000 and greater are considered to be in the Formal Bid Range and will be managed by University Procurement Services, either in the form of a sealed or a competitive bid. See 3.3 Formal Bid Process.

A Waiver of Bid is required when there are circumstances where competitive procurement may not be possible and neither the Informal Bid nor the Formal Bid methods apply. See 3.4 Waiver of Bid process.

3.3 Formal Bid Process

University Procurement Services is responsible for conducting the Formal Bid process for all single purchases \$150,000 and greater (Formal Bid Range), and will assist the units throughout the process. This process is initiated when a unit either approaches University Procurement Services with a formal bid request, or University Procurement Services recognizes a university-wide need for a contract for a particular good or service. Purchases on federal funds are subject to pre-procurement review by the federal awarding agency. An agency may request that units or University Procurement Services forward the bid documents for the agency's review prior to a bid or proposal being sent to suppliers.

Units requesting a formal bid must adhere to the following steps:

The unit should first complete the [RFX Intake Form](#), where the unit will:

- Determine if excess or surplus university equipment or property can be used
- Ensure that the purchase is not for unnecessary or duplicative items
- Ensure that that minority businesses, women's business enterprises, and labor surplus area firms are on the solicitation list (contact [Supplier Diversity Manager](#))
- Ensure that specifications are general in nature
- Make an [independent cost estimate \(for federal awards\)](#)

See the [RFX Intake Form instructions](#) and [instructional video](#) for assistance.

Once it is determined that the best course of action is a formal bid, the formal bid process is as follows:

- 1) **Stakeholder Engagement** – University Procurement Services will assist the unit (where applicable) in analyzing spend. The analysis may determine primary stakeholders. Any other stakeholders will also be determined at this point, if applicable. Stakeholders should be Rutgers individuals with no conflict of interest associated with the supplier/s on the bid or proposal (see [10.0 Ethical Conduct](#)).

- 2) **Specifications** – The stakeholder group will outline and submit to University Procurement Services the detailed specifications, performance standards, and/or scope of work for the good or services needed.

Specifications and bids should:

- Be generic in nature to allow for sufficient competition

Specifications and bids should NOT:

- Place unreasonable requirements on the bidder in order for them to do business
- Require unnecessary experience or excessive bonding
- Reference nor be written specific to a particular brand, model, or company
- Include contractors that developed, or assisted in the development of, specifications, requirements, or statements of work
- Include contractors or suppliers with an organizational conflict of interest
- Include non-competitive contracts to consultants who are on retainer contracts

- 3) **Solicitation** - Using the specifications received from the stakeholder team, University Procurement Services develops and issues a solicitation document (e.g., Request for Proposal (RFP)) to solicit bids and/or proposals from suppliers. The document will include information, terms and conditions, and instructions on how to submit. If the Formal Bid is for a purchase using federal funds, the awarding federal agency may request review of the solicitation documents, particularly for review of the technical specifications, prior to bid.

In soliciting suppliers, University Procurement Services will:

- Search broadly and completely for viable bidders
- Ensure that all prequalified sources (bidders) included in the Formal Bid are current
- Include enough qualified sources
- Include potential bidders during the solicitation period, if they qualify
- Include small, minority, and woman-owned business in the bidders list where possible by dividing requirements into smaller tasks (if economically feasible) and establishing delivery schedules that permit more participation
- Include suppliers in labor surplus areas where possible
- Require contracts subcontractors to meet the university's diversity and social responsibility values

A). **Solicitation of Sealed Bids** - A sealed bid should be the formal bid method considered first, particularly for federally funded awards. Sealed bids are typically used to procure high-cost items with easily definable characteristics. This type of bid publicly solicits a fixed price contract (lump sum or unit price) that is awarded to the bidder who conforms with all the terms and conditions of the bid, and is the lowest in price. A public bid opening is held at a specific time and place.

Solicitation of a sealed bid is conducted when:

- A complete, adequate, and realistic specification or purchase description is available
- Two or more bidders are willing and able to compete for the business
- The contract is awarded solely on price

Requirements of a sealed bid:

- Bids must be solicited from two or more bidders, providing them sufficient response time prior to the date set for opening the bid.
- The invitation for bids, which must be publicly advertised (for federally funded awards), will include any specifications and pertinent attachments and must define the items or services in order for the bidder to properly respond.
- Bids must be opened at the time and place indicated in the invitation for bids and must be opened publicly.
- A fixed price contract award must be made in writing to the lowest responsive (on time and in compliance with bid requirements) and responsible (with means to comply with contract requirements) bidder. Where specified in the bidding documents, factors such as discounts, transportation cost, and life cycle costs are considered in determining the lowest bid.
- Payment discounts must only be used to determine the low bid when prior experience indicates that such discounts are usually taken advantage of.
- Any or all bids must be rejected if there is a sound documented reason.

B). **Solicitation of Competitive Bids** - A competitive proposal should be considered when a sealed bid (price-based only) does not meet the needs of the university, and when other factors must be considered as part of the selection processes. A public bid opening is usually not held. Rutgers issues a Request for Proposal (RFP) when the award will be based on more than price. Competitive proposals are usually more detailed than sealed bids.

Solicitation of a competitive proposal is conducted when:

- A complete, adequate, and realistic specification or purchase description is available
- Two or more bidders are willing and able to compete for the business
- It is possible for the contract to have a fixed price or a cost-reimbursement type contract and the selection of the successful bidder is made on the basis of price and other factors

Requirements of a competitive proposal:

- For federal awards, the proposal must be publicized and identify all evaluation factors and their relative importance.
 - Proposals must be solicited from an adequate number of qualified sources.
 - Rutgers must use a written method for conducting technical evaluations and selecting recipients.
 - Contracts must be awarded to the supplier whose proposal is most advantageous to Rutgers, with price and other factors considered (excluding price as a selection factor can only be used in architectural/engineering professional services, and qualifications-based competitive proposals).
 - For federal awards, Rutgers must include [supplier profit as evaluation criteria if there is no price competition.](#)
- 4) **Evaluation** - University Procurement Services works with the stakeholder group to assess each proposal to determine which represents the best value to the university. The university should award contracts only to responsible suppliers possessing the ability to perform successfully under the terms and conditions outlined. Consideration will be given to supplier integrity, compliance with policy, record of past performance, and financial and technical resources. For federal awards, Rutgers must include supplier profit as evaluation criteria. Suppliers will be notified of the bid results by University Procurement Services.

Evaluation Requirements:

- Confidentiality – to remain an open and competitive purchasing event, information regarding the bidding process must be kept confidential at all times. All questions relating to the bidding process should be addressed to University Procurement Services.
- Valid Submissions – bid submissions must meet the requirements detailed in the solicitation document, in the specification format, unless an exception has been

approved by the Associate Vice President/Chief Procurement Officer (or his/her designee)

- Geographic Preferences – with the exception of suppliers located in a labor surplus area, no preference will be given to state, local, or tribal geographical preferences in the evaluation of bids or proposals (for federal awards, unless the award mandates geographic preference or the award is for architectural or engineering services)

5) **Post Award Supplier Set-Up** – after a supplier has been awarded, University Procurement Services will set the supplier up in the RU Marketplace system. University Procurement Services may also proceed with drafting a university contract, as appropriate (see [4.0 Contracting](#)). University Procurement Services may also include the supplier in the RU Marketplace punch-out catalog, as appropriate, for a goods-based supplier who provides goods for the wider university community.

6) **Federal Contract Considerations**

- Contracts based on cost estimates can only be used in certain circumstances in Subpart E of Uniform Guidance (200.323c).
- The cost plus a percentage of cost and percentage of construction cost methods of contracting must not be used.
- Rutgers may engage a supplier in a time and material contract as a last resort.
- Value engineering clauses should be used when possible.
- Federal awarding agency or pass-through entity may accept the bonding policy and requirements of Rutgers provided that the Federal awarding agency or pass-through entity has made a determination that the Federal interest is adequately protected.

3.4 **Waiver of Bid Process**

Procurement by noncompetitive proposals (Waiver of Bid) is procurement through solicitation of a proposal from only one source and may be used only when circumstances apply. This process is utilized in lieu of an informal or formal bid process. University units must submit the [Waiver of Bid Request Form](#) (see [instructions](#) and [instructional video](#)), however this does not guarantee that University Procurement Services, or the Board of Governors of Rutgers, The State University, will approve the request as applicable. University Procurement Services will ensure that the request meets an allowable justification for a Waiver of Bid. Also, University Procurement Services will do a supplier check prior to any approval, to ensure that the supplier is not on a debarred list.

For federal awards, in situations where there is no price competition for bids \$150,000 or more, [profit must be negotiated as a separate element of the price](#).

If the request is not approved, University Procurement Services will help the unit identify a supplier and facilitate an informal or formal bid process.

Waiver of Bid purchases on federal funds are subject to pre-procurement review by the federal awarding agency. An agency may request that units or University Procurement Services forward related documents for the agency's review.

Bid Waiver Justifications for Non-Federal Funds:

A. Sole Source Justifications

- Highly unique or specialized professional services
- Leasing of Space
- Required by grant or existing public contract/proposed agreement with another public entity or government agency

B. Technical Evaluations

- Highly unique or specialized professional services
- Leasing of Space
- Required by grant or existing public contract/proposed agreement with another public entity or government agency
- Demolition equipment
- Proprietary hardware/software
- Standardization (continuity of existing equipment or related service)

C. General Justifications

- Change order (adding to existing order)
- Favorable terms (subject to evaluation by University Procurement Services)
- Pilot project/trial/experiment
- Required by grant or existing public contract/proposed agreement with another public entity or government agency

Bid Waiver Justifications for Federal Funds:

- Goods or services can only be provided from one supplier.
- After solicitation of a number of potential sources, competition is determined inadequate.
- Public exigency, meaning life, safety, or health of the public must be sustained through immediate delivery of products or performance of services.
- The federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from Rutgers University.



Once it has been confirmed that the good or service is Waiver of Bid eligible, units will need to do the following:

- 1) Create a requisition in [RU Marketplace](#).
- 2) Complete the [Waiver of Bid Request Form](#). See [instructions](#) and [instructional video](#).
- 3) Wait for University Procurement Services to review the form for approval and make contact if there are any issues or questions.
- 4) Verify whether there is a separate [contract](#) that needs to be executed prior to a purchase order.
- 5) Attach Waiver of Bid Request Form and proposed contract to the requisition, if required.

3.5 Additional Required Documents

There may be other documents that that must be signed or approved prior to purchase order, depending on the supplier or the type of engagement. Most of these items are included on the purchasing intake forms ([Informal Bid Intake Form](#), [RFX Intake Form](#), and [Waiver of Bid Request Form](#)).

The additional forms are:

- [ICED \(Independent Contractor or Employee Determination\)](#) – This is a prerequisite document for guest lecturer, honorarium, or professional services engagements, that the prospective supplier must complete and must be reviewed and approved by University Procurement Services or University Tax Department prior to any start of service. Please refer to the [Professional and Business Services Matrix](#) for assistance.
- [BAA \(Business Associate Agreement\)](#) – This agreement is required when a unit is engaging services that include creating, receiving, maintaining, or transmitting Protected Health Information (PHI). Use of the university template is preferred. A non-University template may be authorized upon contract management review, negotiation and approval. This contract must be negotiated and approved by the Rutgers' Office of General Counsel.
- [Facilities Checklist](#) – This checklist should be reviewed if the purchase is a facilities engagement.
- [Public Works Registration](#) – This registration is needed for all facilities or constructions-based engagements.

- [Statement of Work](#) – All service-based purchase orders should have a Rutgers Statement of Work that outlines the service scope and deliverables. This would include most professional services. This should be attached to the requisition as an internal document. Please refer to the [Professional and Business Services Matrix](#) for assistance.
- [TPRA \(Third Party Risk Assessment\)](#) – This assists units in evaluating the security/compliance of third parties or application service providers by requiring the supplier to disclose their method of managing and storing restricted, internal or public information. The unit must forward the TPRA to Rutgers’ Office of Information Technology to review, assess the prospective supplier’s processes, and make a recommendation regarding moving forward with the supplier. The goal is to provide a safe environment for Rutgers’ data, assets, and resources and to maintain confidentiality.
- [Voluntary Product Accessibility Template](#) – This assists University Office of Information Technology in assessing whether the electronic or information technology product being purchased meets accessibility standards.

3.6 Other Approvals/Notification Needed

Approval of Bid Waivers for Certain Contracts. Any Waiver of Bid that totals \$1 million or greater must be approved by the Board of Governors of Rutgers, The State University of New Jersey or other appropriate Committee **prior** to any issuance of a purchase order.

Board of Governors Notification. All contracts procured via Bid Waiver will be reported to the Board of Governors of Rutgers, The State University of New Jersey, or an appropriate Committee on an annual basis.

3.7 Federally Funded Sourcing

If goods or services are purchased using federal award funds, these purchases must be made in accordance with [U.S. Office of Management and Budget Circular No. A-21](#), Cost Principles for Educational Institutions (2 CFR Parts 215 and 220). All expenditures utilizing federal award funds are allowable in accordance with 45 CFR Part 75 (Uniform Administrative Requirements, Cost Principles and Audit Requirements for HHS Awards). In addition, all spending of federal funding is subject to an annual audit under the guidelines set in [OMB Circular 2CFR Part 200 \(“Uniform Guidance”\)](#). To ensure compliance, all activity affecting a federally sponsored project/grant should meet the terms and conditions of the grant or contract, and also the provisions set forth in the [Uniform Guidance Procurement Standards](#).



3.8 Sustainability

Rutgers will make every effort to source “green” products and source from “green” suppliers where practical. For federal awards, this includes procuring only items designated in guidelines of the [Environmental Protection Agency \(EPA\) at 40 CFR part 247](#) that contain the highest percentage of recovered materials. University Procurement Services works with the Manager of Diversity and Sustainability at the time that the supplier solicitation list is created to include these suppliers where possible.

3.8.1 Alternative Fuel Transportation Program

The University participates in a fleet management program that complies with the U.S. Department of Energy’s Alternative Fuel Transportation Program.

When units wish to purchase a new vehicle, they must:

- 1) Determine the type of vehicle that complies with the [Alternative Fuel’s Transportation Program](#).
- 2) [Select a vehicle model](#) based on the unit’s need by fuel type, manufacturer, and class (hybrid electric vehicles are not acceptable under the Rutgers’ standard compliance).
- 3) Fill out the [Vehicle Purchase Form](#) (DOC) and contact the appropriate [purchasing representative](#).
- 4) Work with University Procurement Services to obtain quotes and assist in the [vehicle purchase process](#), including approvals from senior procurement and finance officials.
- 5) Wait for University Procurement Services category representative to submit purchasing information to the Supplier Diversity/Sustainability Manager to compile information and submit the annual Department of Energy Alternative Fuel Program report.

References

Campus Instructions

- [Active IPO Search](#)
- [Submit an Internal Purchase Order](#)
- [Shop with a Punchout-Enabled Supplier](#)
- [Punchout Process Instructions](#)
- [Submit a Quick Order](#)
- [Informal Bid Intake Form Instructions](#)
- [Informal Bid Intake Form Instructional Video](#)
- [RFX Intake Form Instructions](#)
- [RFX Intake Form Instructional Video](#)
- [Waiver of Bid Request Form Instructions](#)



[Waiver of Bid Request Form Instructional Video](#)

Process Flowchart

[Sourcing](#)

University Procurement Services Internal Instructions

[Check Request Internal Process Instructions](#)

[RFX Intake Form Internal Process Instructions](#)

[Informal Bid and Waiver of Bid Internal Process Instructions](#)

Revisions

Effective Date	Approver	Change Reference	Issue #

STANDARD OPERATING PROCEDURE: 4.0 CONTRACT MANAGEMENT

This procedure is in accordance with Purchasing Policy 20.1.11.

Introduction

Contract management at Rutgers can be summarized as the process of systematically and efficiently managing contract creation, analysis, negotiation, and execution for the purpose of maximizing operational performance and minimizing risk. This may entail negotiating the terms and conditions in contracts, ensuring compliance with the terms and conditions, as well as documenting and agreeing to any changes or amendments that may arise post contract execution. For training and additional resources on Contracting, please visit University Procurement Services' [Training and Resources](#).

Procedure Outline

- 4.1 What is a Procurement Contract?
- 4.2 When is a Procurement Contract Needed?
- 4.3 Contract Types
- 4.4 Contract Creation and Total Contract Manager Setup
- 4.5 Contract Review and Negotiation
- 4.6 Contract Execution and Total Contract Manager Activation
- 4.7 Contract Management/Tracking of Deliverables
- 4.8 Contract Amendments
- 4.9 End of Contract Options

Definitions

Amendment: A formal change to an existing contract or other legal document, such as modifying terms and conditions. This may be done through a Rutgers or supplier amendment or a Supplemental Statement of Work.

Business Associate Agreement (BAA): This agreement is required when a unit is engaging services that include creating, receiving, maintaining, or transmitting Protected Health Information (PHI). Use of the University template is preferred. A non-University template may be authorized upon contract management review, negotiation, and approval. This contract must be negotiated and approved by the Rutgers' Office of General Counsel.



Contract: An agreement between two or more parties with specific terms and conditions, wherein an offer to provide something is made by one party and accepted by another party in return for consideration of some kind.

Expired Contract: A contract has fulfilled its contract term and is no longer active for purchasing. If the unit requires the goods and services to continue, a new procurement must take place (ex. bid, waiver, quotes, etc.).

Independent Contractor or Employee Determination (ICED): This is a prerequisite document for guest lecturer, honorarium, or professional services engagements, that the prospective supplier must complete and must be reviewed and approved by University Procurement Services or University Tax Department prior to any start of service.

Non-Disclosure Agreement (NDA): A legal contract between at least two parties that outlines confidential material, knowledge, or information that the parties wish to share with one another for certain purposes, but wish to restrict access to outside parties. It is preferred to use the university template if possible. However, a non-university template may be authorized upon contract management review, negotiation, and approval.

RU Marketplace: RU Marketplace is the university online system that covers all stages of the procurement-to-payment process. This system provides a comprehensive approach to the provider and end user. The tool also allows for data analytics by measuring the effectiveness of contracts, transaction approval cycle times, and use of automated invoice processing.

Standard Operational Procedure (SOP): A set of instructions that functionally describes the key procedures.

Statement of Work (SOW): A complete and detailed description of all goods and/or services to be delivered to Rutgers including specifics such as cost, milestones, deliverables, and timelines. This must include everything the unit expects to receive as a result of the purchase.

Supplemental Statement of Work (SOW): A complete and detailed description of the requested changes to an original SOW already issued under a Rutgers Purchase Order. These service engagement changes may include a service date extension, changes or additions to the services being rendered including deliverables or milestones (if any), and/or an increase to the fees and expenses.

Terminated Contract: A contract that has been terminated, at the direction of the unit or supplier. The contract will no longer be active for purchasing.

Third Party Risk Assessment (TPRA): The Third Party Security Questionnaire assists units in evaluating the security/compliance of third parties or application service providers by requiring the supplier to disclose their method of managing and storing restricted, internal or public information. Rutgers' Office of Information Technology reviews the questionnaire and assesses the prospective supplier's processes, making a recommendation regarding moving forward with the supplier. The goal is to provide a safe environment for Rutgers' data, assets, resources, and confidentiality.



Total Contract Manager (TCM): RU Marketplace solution that allows the University to see the contract processing stages. It also serves as a repository for contract documents and information and allows for advance notice of contract expiration and/or renewals.

Unit: Department within the University (e.g. University Procurement Services, Facilities Department, etc.).

Procedures

Throughout the contracting process, there are several steps that occur including contract analysis, negotiations, edits, and signature, among other things. University Procurement Services is responsible for steering all phases of this process.

4.1 What is a Procurement Contract?

A procurement contract is a legal document between Rutgers and a supplier for any related procurement activity, and may include such factors as pricing, length of contract, delivery, quality, and payment information. The contract establishes the terms and conditions that govern the relationship between the parties.

4.2 When is a Procurement Contract Needed?

When goods and/or services are procured by Rutgers, a contract is needed, unless otherwise specified. Wherever possible, the unit should procure goods and services from suppliers that have active contracts in place with Rutgers. Units are advised to check [RU Marketplace](#) or contact [University Procurement Services](#). If there is not an active contract in place, the preferred method of contracting with a supplier is to issue a purchase order in RU Marketplace, which incorporates the [University Procurement Terms and Conditions](#) and includes the appropriate statement of work.

If a supplier will not accept a standalone purchase order or if further details of the transaction are required, then units should refer to the various contract types (see below) that Rutgers uses to engage a supplier. See [Contract Management Process Instructions](#).

4.3 Contract Types

4.3.1 Purchase Orders

Purchase orders (POs) are the standard form of contract used to procure goods and/or services for Rutgers. A PO has established terms and conditions that protect the University's interests. It provides the detailed description of the goods or services, deliverables, price, and the length of term, among other items. Upon acceptance by a supplier, a PO becomes a contract binding both parties.

A purchase transaction solely based on a PO will not be tracked in Total Contract Manager (TCM).

4.3.2 Standard Contracts

If the PO alone is insufficient, University Procurement Services may utilize one of the Rutgers standard contract templates for provision of goods and/or services which should be used whenever possible:

- **Master Service Agreement (MSA):**
 - **Option 1:** A university-wide engagement with a defined SOW including fees and expenses (e.g. copiers, office supplies, lab supplies, etc.) with one supplier. The University enters into this contract when there is a repetitive need to purchase the same type of good or service from a supplier.
 - **Options 2:** The Master Service Agreement is also used for an agreement with one supplier that allows units university-wide to purchase goods and/or services from the supplier. In this instance, there is no defined SOW or fees and expenses, however the terms and conditions of the agreement have been established. The unit must establish a defined SOW(s) including fees and expenses for all future purchases (e.g. consulting firms), which will be governed by the MSA. It is optimal to utilize this type of contract when units repetitively purchase goods or services from the same supplier(s).
- **Service Agreement (SA)** – A unit-specific purchase of goods or services, with a defined Statement of Work (SOW), including Fees and Expenses (e.g. parking services, photography services, etc.).
- **RFP Contract Award Letter** – A contractual letter that binds the parties to the terms and conditions as set forth in the RFP.

4.3.3 Supplier Contract

When a Rutgers standard contract is not acceptable, a supplier contract may be utilized in case-by-case circumstances. University Procurement Services must negotiate terms and conditions for these types of contracts.

There are two types of supplier contract situations:

- a) A non-university contract is provided by the supplier that contains their terms and conditions. While this is not a preferred document to engage a supplier, Rutgers may authorize the use of this document upon University Procurement Services review, negotiation, and approval.
- b) A supplier submits a quotation with their terms and conditions. These need to be carefully reviewed by University Procurement Services. If the quotation is accepted with the supplier terms and conditions, then Rutgers terms and conditions do not apply.

4.3.4 Other

- **Non-Disclosure Agreement (NDA)** – A legal contract between at least two parties that outlines

confidential material, knowledge, or information that the parties wish to share with one another for certain purposes, but wish to restrict access to outside parties. Use of the Rutgers template is preferred. However, a non-university agreement may be authorized upon contract management review, negotiation, and approval.

- **Business Associate Agreement (BAA)** - This agreement is required when a unit is engaging services that include creating, receiving, maintaining, or transmitting Protected Health Information (PHI). Use of the university template is preferred. A non-University template may be authorized upon contract management review, negotiation, and approval. This contract must be negotiated and approved by the Rutgers' Office of General Counsel.
- **Statement of Work (SOW)** – All service-based purchase orders should have a Rutgers [SOW](#) or supplier bid/quote/proposal that outlines the service scope, deliverables and fees and expenses. This would include most professional and business services. This should be attached to the requisition as an external document.

4.4 Contract Creation and Total Contract Manager Setup

Either University Procurement Services or units may initiate a contract. Units must reach out to [University Procurement Services](#) for contract assistance if they wish to proceed with a Rutgers Standard Contract as described in Section 4.3.2.

The process is as follows:

- 2) University Procurement Services ensures that the applicable prerequisite documents have been provided and are approved. If the documents provided are insufficient, the category analyst will return it to the appropriate unit for clarification or additional information.
 - [ICED \(Independent Contractor or Employee Determination\)](#) – This is a prerequisite document for guest lecturer, honorarium, or professional services engagements, that the prospective supplier must complete and must be reviewed and approved by University Procurement Services or University Tax Department prior to any start of service.
 - [BAA \(Business Associate Agreement\)](#) – described above
 - [TPRA \(Third Party Risk Assessment\)](#) – This assists units in evaluating the security/compliance of third parties or application service providers by requiring the supplier to disclose their method of managing and storing restricted, internal, or public information. The unit must forward the TPRA to Rutgers' Office of Information Technology to review, assess the prospective supplier's processes, and make a recommendation regarding moving forward with the supplier. The goal is to provide a safe environment for Rutgers' data, assets, and resources and to maintain confidentiality.

- [Concerning Protected Information](#) – This document must be signed by the supplier whenever student information is involved.
 - Facilities docs need to be mentioned here
 - [Statement of Work \(SOW\)](#) – Described above.
- 3) University Procurement Services creates the contract framework in Total Contract Manager (TCM).
- a) If review and/or negotiation is not required, the contract is processed. The contract proceeds to section 4.6 Contract Execution and Total Contract Manager activation.
 - b) If further review and/or negotiation is required, the contract proceeds to section 4.5 Contract Review and Negotiation.

4.5 Contract Review and Negotiation

If the contract requires additional review and negotiation, University Procurement Services reviews and negotiates the terms and conditions, including but not limited to:

- 1) Seeking guidance as needed from internal resources (e.g. Risk Management, Legal Counsel), as well as the unit.
- 2) Negotiating the contract with the supplier. There can be an exchange of red-lined versions of the contract during the negotiation period. This may require University Procurement Services to re-engage internal sources for additional input.
- 3) Forwarding agreed upon terms and conditions amongst the parties for signature.

4.6 Contract Execution and Total Contract Manager Activation

Once a contract has been fully executed by all parties, a PO is issued and services commence. The TCM framework is fully populated, including the attached fully executed contract. In general, University Procurement Services signs procurement contracts. However, in some instances, units have authority to sign a procurement contract. Please see [Office of General Counsel, Rutgers Policy 50.13.3](#), and [Signature Matrix](#).



4.7 Contract Management/Tracking of Deliverables

Units are responsible for ensuring that the goods, services, deliverables, and supplier payments are consistent with the requirements set forth in the related procurement contract. Units are encouraged to use the [Contract Management- Tracking Deliverables spreadsheet](#) and the [Tracking Deliverables Process Instructions](#).

In the event of a service level discrepancy with a supplier, units are encouraged to contact the [University Procurement Services Help Desk](#) for assistance. The Help Desk will forward the request to the appropriate individual who can assist in resolving the dispute.

4.8 Contract Amendments

Situations may arise for units and/or suppliers that require contract modification. With all parties in agreement, a contract may be amended to adjust the original requirements and/or terms and conditions via a Rutgers or supplier amendment or Supplemental SOW.

4.9 End of Contract Options

TCM notifies University Procurement Services in advance that a contract is set to expire or renew within a specified amount of time. University Procurement Services then notifies the unit of the upcoming expiration or renewal. University Procurement Services can, at the direction of the unit, exercise any contract extension/renewal term(s) available with the supplier. At the expiration or termination of the contract, units can no longer utilize the contract for procurement.

References

Campus Instructions

[Contract Management Process Instructions](#)

[Tracking Deliverables Process Instructions](#)

Process Flowchart

[Contract Management](#)

Revisions

Effective Date	Approver	Change Reference	Issue #

STANDARD OPERATING PROCEDURE:

4.0 CONTRACT MANAGEMENT

This procedure is in accordance with Purchasing Policy 20.1.11.

Introduction

Contract management at Rutgers can be summarized as the process of systematically and efficiently managing contract creation, analysis, negotiation, and execution for the purpose of maximizing operational performance and minimizing risk. This may entail negotiating the terms and conditions in contracts, ensuring compliance with the terms and conditions, as well as documenting and agreeing to any changes or amendments that may arise post contract execution. For training and additional resources on Contracting, please visit University Procurement Services' [Training and Resources](#).

Procedure Outline

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Definitions

Amendment: A formal change to an existing contract or other legal document, such as modifying terms and conditions. This may be done through a Rutgers or supplier amendment or a Supplemental Statement of Work.

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Contract: An agreement between two or more parties with specific terms and conditions, wherein an offer to provide something is made by one party and accepted by another party in return for consideration of some kind.

Expired Contract: A contract has fulfilled its contract term and is no longer active for purchasing. If the unit requires the goods and services to continue, a new procurement must take place (ex. bid, waiver, quotes, etc.).

Independent Contractor or Employee Determination (ICED): This is a prerequisite document for guest lecturer, honorarium, or professional services engagements, that the prospective supplier must complete and must be reviewed and approved by University Procurement Services or University Tax Department prior to any start of service.

Non-Disclosure Agreement (NDA): A legal contract between at least two parties that outlines confidential material, knowledge, or information that the parties wish to share with one another for certain purposes, but wish to restrict access to outside parties. It is preferred to use the university template if possible. However, a non-university template may be authorized upon contract management review, negotiation, and approval.

RU Marketplace: RU Marketplace is the university online system that covers all stages of the procurement-to-payment process. This system provides a comprehensive approach to the provider and end user. The tool also allows for data analytics by measuring the effectiveness of contracts, transaction approval cycle times, and use of automated invoice processing.

Standard Operational Procedure (SOP): A set of instructions that functionally describes the key procedures.

Statement of Work (SOW): A complete and detailed description of all goods and/or services to be delivered to Rutgers including specifics such as cost, milestones, deliverables, and timelines. This must include everything the unit expects to receive as a result of the purchase.

Supplemental Statement of Work (SOW): A complete and detailed description of the requested changes to an original SOW already issued under a Rutgers Purchase Order. These service engagement changes may include a service date extension, changes or additions to the services being rendered including deliverables or milestones (if any), and/or an increase to the fees and expenses.

Terminated Contract: A contract that has been terminated, at the direction of the unit or supplier. The contract will no longer be active for purchasing.

Third Party Risk Assessment (TPRA): The Third Party Security Questionnaire assists units in evaluating the security/compliance of third parties or application service providers by requiring the supplier to disclose their method of managing and storing restricted, internal or public information. Rutgers' Office of Information Technology reviews the questionnaire and assesses the prospective supplier's processes, making a recommendation regarding moving forward with the supplier. The goal is to provide a safe environment for Rutgers' data, assets, resources, and confidentiality.

Total Contract Manager (TCM): RU Marketplace solution that allows the University to see the contract processing stages. It also serves as a repository for contract documents and information and allows for advance notice of contract expiration and/or renewals.

Unit: Department within the University (e.g. University Procurement Services, Facilities Department, etc.).

Procedures

Throughout the contracting process, there are several steps that occur including contract analysis, negotiations, edits, and signature, among other things. University Procurement Services is responsible for steering all phases of this process.

4.1 What is a Procurement Contract?

A procurement contract is a legal document between Rutgers and a supplier for any related procurement activity, and may include such factors as pricing, length of contract, delivery, quality, and payment information. The contract establishes the terms and conditions that govern the relationship between the parties.

4.2 When is a Procurement Contract Needed?

When goods and/or services are procured by Rutgers, a contract is needed, unless otherwise specified. Wherever possible, the unit should procure goods and services from suppliers that have active contracts in place with Rutgers. Units are advised to check [RU Marketplace](#) or contact [University Procurement Services](#). If there is not an active contract in place, the preferred method of contracting with a supplier is to issue a purchase order in [RU Marketplace](#), which incorporates the [University Procurement Terms and Conditions](#) and includes the appropriate statement of work.

If a supplier will not accept a standalone purchase order or if further details of the transaction are required, then units should refer to the various contract types (see below) that Rutgers uses to engage a supplier. See [Contract Management Process Instructions](#).

4.3 Contract Types

4.3.1 Purchase Orders

Purchase orders (POs) are the standard form of contract used to procure goods and/or services for Rutgers. A PO has established terms and conditions that protect the University's interests. It provides the detailed description of the goods or services, deliverables, price, and the length of term, among other items. Upon acceptance by a supplier, a PO becomes a contract binding both parties.

A purchase transaction solely based on a PO will not be tracked in Total Contract Manager (TCM).

4.3.2 Standard Contracts

If the PO alone is insufficient, University Procurement Services may utilize one of the Rutgers standard contract templates for provision of goods and/or services which should be used whenever possible:

- **Master Service Agreement (MSA):**
 - **Option 1:** A university-wide engagement with a defined SOW including fees and expenses (e.g. copiers, office supplies, lab supplies, etc.) with one supplier. The University enters into this contract when there is a repetitive need to purchase the same type of good or service from a supplier.
 - **Options 2:** The Master Service Agreement is also used for an agreement with one supplier that allows units university-wide to purchase goods and/or services from the supplier. In this instance, there is no defined SOW or fees and expenses, however the terms and conditions of the agreement have been established. The unit must establish a defined SOW(s) including fees and expenses for all future purchases (e.g. consulting firms), which will be governed by the MSA. It is optimal to utilize this type of contract when units repetitively purchase goods or services from the same supplier(s).
- **Service Agreement (SA)** – A unit-specific purchase of goods or services, with a defined Statement of Work (SOW), including Fees and Expenses (e.g. parking services, photography services, etc.).
- **RFP Contract Award Letter** – A contractual letter that binds the parties to the terms and conditions as set forth in the RFP.

4.3.3 Supplier Contract

When a Rutgers standard contract is not acceptable, a supplier contract may be utilized in case-by-case circumstances. University Procurement Services must negotiate terms and conditions for these types of contracts.

There are two types of supplier contract situations:

- a) A non-university contract is provided by the supplier that contains their terms and conditions. While this is not a preferred document to engage a supplier, Rutgers may authorize the use of this document upon University Procurement Services review, negotiation, and approval.
- b) A supplier submits a quotation with their terms and conditions. These need to be carefully reviewed by University Procurement Services. If the quotation is accepted with the supplier terms and conditions, then Rutgers terms and conditions do not apply.

4.3.4 Other

- **Non-Disclosure Agreement (NDA)** – A legal contract between at least two parties that outlines confidential material, knowledge, or information that the parties wish to share with one another for certain purposes, but wish to restrict access to outside parties. Use of the Rutgers template is preferred. However, a non-university agreement may be authorized upon contract management review, negotiation, and approval.

- **Business Associate Agreement (BAA)** - This agreement is required when a unit is engaging services that include creating, receiving, maintaining, or transmitting Protected Health Information (PHI). Use of the university template is preferred. A non-University template may be authorized upon contract management review, negotiation, and approval. This contract must be negotiated and approved by the Rutgers' Office of General Counsel.
- **Statement of Work (SOW)** – All service-based purchase orders should have a Rutgers [SOW](#) or supplier bid/quote/proposal that outlines the service scope, deliverables and fees and expenses. This would include most professional and business services. This should be attached to the requisition as an external document.

4.4 Contract Creation and Total Contract Manager Setup

Either University Procurement Services or units may initiate a contract. Units must reach out to [University Procurement Services](#) for contract assistance if they wish to proceed with a Rutgers Standard Contract as described in Section 4.3.2.

The process is as follows:

- 1) University Procurement Services ensures that the applicable prerequisite documents have been provided and are approved. If the documents provided are insufficient, the category analyst will return it to the appropriate unit for clarification or additional information.
 - [ICED \(Independent Contractor or Employee Determination\)](#) – This is a prerequisite document for guest lecturer, honorarium, or professional services engagements, that the prospective supplier must complete and must be reviewed and approved by University Procurement Services or University Tax Department prior to any start of service.
 - [BAA \(Business Associate Agreement\)](#) – described above
 - [TPRA \(Third Party Risk Assessment\)](#) – This assists units in evaluating the security/compliance of third parties or application service providers by requiring the supplier to disclose their method of managing and storing restricted, internal, or public information. The unit must forward the TPRA to Rutgers' Office of Information Technology to review, assess the prospective supplier's processes, and make a recommendation regarding moving forward with the supplier. The goal is to provide a safe environment for Rutgers' data, assets, and resources and to maintain confidentiality.
 - [Concerning Protected Information](#) – This document must be signed by the supplier whenever student information is involved.
 - [Facilities docs need to be mentioned here](#)
 - [Statement of Work \(SOW\)](#) – Described above.

- 2) University Procurement Services creates the contract framework in Total Contract Manager (TCM).
 - a) If review and/or negotiation is not required, the contract is processed. The contract proceeds to section 4.6 Contract Execution and Total Contract Manager activation.
 - b) If further review and/or negotiation is required, the contract proceeds to section 4.5 Contract Review and Negotiation.

4.5 Contract Review and Negotiation

If the contract requires additional review and negotiation, University Procurement Services reviews and negotiates the terms and conditions, including but not limited to:

- 1) Seeking guidance as needed from internal resources (e.g. Risk Management, Legal Counsel), as well as the unit.
- 2) Negotiating the contract with the supplier. There can be an exchange of red-lined versions of the contract during the negotiation period. This may require University Procurement Services to re-engage internal sources for additional input.
- 3) Forwarding agreed upon terms and conditions amongst the parties for signature.

4.6 Contract Execution and Total Contract Manager Activation

Once a contract has been fully executed by all parties, a PO is issued and services commence. The TCM framework is fully populated, including the attached fully executed contract. In general, University Procurement Services signs procurement contracts. However, in some instances, units have authority to sign a procurement contract. Please see [Office of General Counsel, Rutgers Policy 50.13.3](#) and [Signature Matrix](#).

4.7 Contract Management/Tracking of Deliverables

Units are responsible for ensuring that the goods, services, deliverables, and supplier payments are consistent with the requirements set forth in the related procurement contract. Units are encouraged to use the [Contract Management- Tracking Deliverables spreadsheet](#) and the [Tracking Deliverables Process Instructions](#).

In the event of a service level discrepancy with a supplier, units are encouraged to contact the [University Procurement Services Help Desk](#) for assistance. The Help Desk will forward the request to the appropriate individual who can assist in resolving the dispute.

4.8 Contract Amendments

Situations may arise for units and/or suppliers that require contract modification. With all parties in agreement, a contract may be amended to adjust the original requirements and/or terms and conditions via a Rutgers or supplier amendment or Supplemental SOW.

4.9 End of Contract Options

TCM notifies University Procurement Services in advance that a contract is set to expire or renew within a specified amount of time. University Procurement Services then notifies the unit of the upcoming expiration or renewal. University Procurement Services can, at the direction of the unit, exercise any contract extension/renewal term(s) available with the supplier. At the expiration or termination of the contract, units can no longer utilize the contract for procurement.

References

Campus Instructions

[Contract Management Process Instructions](#)

[Tracking Deliverables Process Instructions](#)

Process Flowchart

[Contract Management](#)

Revisions

Effective Date	Approver	Change Reference	Issue #

STANDARD OPERATING PROCEDURE: 5.0 ORDERING GOODS AND SERVICES

This procedure is in accordance with Procurement and Payment Policy 20.1.11.

Introduction

There are several order placement methods at Rutgers University. As purchase orders (POs) offer the university the best legal and financial protections, they are the preferred method for ordering goods and services.

There are other ordering methods at Rutgers University, such as Purchasing Cards (PCards), that are used for low dollar items, as long as the purchase meets the PCard requirements.

Units should refer to [6.0 Shipping and Receiving](#) for shipping hazardous material.

For training and additional resources on Ordering Goods and Services, visit University Procurement Services' [Training and Resources](#).

Procedure Outline

5.1 Purchase of Goods or Services

5.2 Alternate Transactions

5.3 Change Orders

Definitions

Blanket Order: A blanket order is a purchase order the customer makes with its supplier which contains multiple delivery dates over a period of time, often negotiated to take advantage of predetermined pricing. It is normally used when there is a recurring need for expendable goods. Blanket orders are often used when a customer buys large quantities and has obtained special discounts.

Business Associate Agreement BAA (BAA): This agreement is required when a unit is engaging services that include creating, receiving, maintaining, or transmitting Protected Health Information (PHI). Use of the university template is preferred. A non-University template may be authorized upon contract management review, negotiation and approval. This contract must be negotiated and approved by the Rutgers' Office of General Counsel.

Independent Contractor or Employee Determination (ICED): This is a prerequisite document for guest lecturer, honorarium, or professional services engagements, that the prospective supplier completes and must be reviewed and approved by University Procurement Services or University Tax Services Department prior to any start of service.



Internal Purchase Order (IPO): A purchase order issued to an internal Rutgers unit that provides goods or services to the university.

Non-PO Upload: A payment that is not based on a purchase order. Associated data is uploaded to Oracle and a check is generated. Non-PO Uploads are a transaction process for paying individuals rather than businesses and are used to pay for non-qualifying scholarships, royalties (employees), TA/GA awards, patient refunds, non-employee refunds, petty cash, and human subject payments/direct disbursements. Purchase orders are not required for this type of payment.

Punch-out catalog supplier: A contracted supplier that is electronically connected to RU Marketplace. This connection allows for suppliers to receive electronic copies of our document is from RU Marketplace, as well as send electronic invoices and other documents related to the procure-to pay process.

Purchase Order: A Rutgers purchase order is a legal document containing a description of the good or service requested, and terms and conditions of the transaction including, but not limited to, payment and delivery terms, for the purchase or lease of goods and services.

Purchasing Card: A university-issued credit card from Bank of America, to be used for purchases that are of low value and for goods and services not a part of a university contract.

Standard Operational Procedure (SOP): A set of instructions that functionally describes the key procedures.

Third Party Risk Assessment (TPRA): This document assists units in evaluating the security/compliance of third parties or application service providers by requiring the supplier to disclose their method of managing and storing restricted, internal or public information. The unit must submit the TPRA to Rutgers' Office of Information Technology who will review, assess the prospective supplier's processes, and make a recommendation as to whether or not the supplier meets the University's standards for moving forward with the transaction. The goal is to provide a safe environment for Rutgers' data, assets, and resources while maintaining confidentiality.

Quick Order: A type of purchase order for goods under \$10,000, that does not require the review of University Procurement Services and may be sent directly to the supplier by the unit once the unit approvals are complete. Quick Orders may only be used to purchase goods and cannot be modified by a change order. Services are not to be purchased through a Quick Order.

Procedures

5.1 Purchase of Goods or Services

There are two types of purchases that can be made at Rutgers: goods or services.

There are many ways that units can purchase of goods or services. The following are the order of preference at Rutgers:

- 2) **Internal Purchase Order (IPO)** - An IPO is a purchase order for a good or service that is provided by a university unit to another university unit. Procurement Services generally does not assist with these transactions, except in the event of an order change. See [Submit an Internal Purchase Order](#).

A complete list of active internal suppliers is available on RU Marketplace, accessible through [myRutgers Portal](#). Units must contact the internal department directly to determine the required type of requisition. Units can use the [Active IPO Search](#) job aid for assistance. If the specific supplier is already known, units can go to Shop, and search by "IPO: supplier name". For example "IPO: Academic Foundation Center".

Once approvals are complete, the system generates the IPO and sends the order to the servicing department.

- 3) **Check Request** - A check request is an official request to University Procurement Services to initiate payment for goods or services that, for most cases, do not require units to obtain quotes or bids. Check requests can be paid to suppliers or to non-employees. Check requests cannot be issued to a Rutgers employee. A check request initiates a system purchase order. See [Check Request Processing Instructions](#) (for University Procurement Services employees, see [Check Request Internal Process Instructions](#)).

The [Check Request Matrix](#) is maintained by University Procurement Services and outlines the goods and services that are allowable to be paid via check request. See [8.0 Payments](#) for more detail.

- 4) **Purchase Order** - A purchase orders (PO) is a legal contract for goods or services that commits the supplier and university to a buying transaction. POs are one of the primary buying methods at Rutgers and are appropriate for goods, equipment, and services not available through the PCard. A requisition is initiated by a unit and submitted in RU Marketplace with all of the appropriate supporting documentation. Once reviewed and approved by University Procurement Services, a PO is generated. Purchase orders can be issued via one-time purchase or blanket orders. Blanket orders cannot be used for quick orders.

5.1.1 Purchase Order Methods

- 1) **Punch-Out Catalog** - Units should refer to Rutgers' online catalog, or [RU Marketplace](#), that provides campus customers with a centralized, convenient, cost-effective way to make unit purchases from suppliers with a university contract. Using a "shopping cart" experience, thousands of products are available by "punching out" to supplier catalogs. The supplier catalogs reflect university contract pricing. See [Punchout Process Instructions](#).

Types of products available:

- Computer supplies and peripherals
- Maintenance, repair, and operating supplies

- Office supplies
- Scientific supplies

Units should do the following to place an order:

1. Log on to RU Marketplace within the [myRutgers Portal](#).
 2. Find the corresponding vendor “tile”.
 3. Browse the supplier catalog for the good or service.
 4. Complete the punch-out purchase. Use the [Catalog purchase Job Aid](#) for reference.
 5. Wait for department approvals.
 6. The Purchase Order is issued and the process is complete.
- 2) **Other Contracted Suppliers** - While many contracted suppliers have goods or services listed in the punch-out catalog, this may not be the case with all contracted items or suppliers.

To determine if there is an existing contract with the supplier they wish to procure goods or services from, units should contact the [key contacts](#) for requisition and contracting assistance.

3) **Orders From Suppliers With No University Contract**

- A) **Orders Under \$10,000 (Quick Orders)** - A Quick Order is a type of purchase order under \$10,000 that does not require the review of University Procurement Services and may be sent directly to the supplier by the system, once unit approvals are complete. Services cannot be purchased through a Quick Order. A Quick Order cannot be modified by a change order nor can a blanket order be issued for a quick order. Quick Orders may only be used to purchase goods, except as described below. See [Submit a Quick Order](#).

These goods CANNOT be purchased via Quick Order:

- Animals
- Biological agents
- Controlled substances
- Equipment that requires a utilities hook-up
- Furniture, carpeting, and window treatments
- Hazardous waste disposal
- Imported equipment that requires customs clearance
- Leases
- Legal services
- Lobbying services
- Plaques to be affixed on buildings or university-owned property and monuments
- Professional services
- Radioactive materials
- Select agents and toxins
- Software and Cloud-Based Purchases

Once it has been verified that a Quick Order is an acceptable means to place an order, the unit must:

- 1) Review the [How to Buy](#) section of the University Procurement Services website before making a purchase. This section has a checklist that units should be aware of in order to ensure compliance with University requirements and [Uniform Guidance](#).
- 2) Complete the Quick Order form in [RU Marketplace](#).
- 3) Obtain a quote from the supplier.
- 4) Verify if there is a separate [contract](#) that needs to be executed prior to purchase order issuance.

If a Quick Order is NOT acceptable, the unit must:

- 1) Review the [How to Buy](#) section of the University Procurement Services website before making a purchase. This section has a checklist that units should be aware of in order to ensure compliance with University requirements and [Uniform Guidance](#).
- 2) Complete the Goods or Service Request form in [RU Marketplace](#). Also see [Submit a Goods Request](#) or [Submit a Service Request](#).
- 3) Obtain a quote from the supplier.
- 4) Verify if there is a separate [contract](#) that needs to be executed prior to purchase order issuance.

B) Orders From Suppliers With No University Contract (\$10,000 – Less than \$150,000) – Informal Bid

For orders \$10,000 and over but less than \$150,000, units must follow the specific steps to place an order:

- 1) Refer to the Informal Bid process in [3.0 Sourcing](#) for details on supplier selection.
- 2) Complete the [Informal Bid Request Form](#). This section has a checklist that units should be aware of in order to ensure compliance with University requirements and [Uniform Guidance](#). See [instructions](#) and [video](#). For University Procurement Services staff, see [Informal Bid and Waiver of Bid Internal Process Instructions](#).
- 3) If the purchase is sole sourced, refer to [3.0 Sourcing](#) and follow the [Waiver of Bid process](#). Complete the [Waiver of Bid Request Form](#), referring to the [instructions](#) and [video](#).
- 4) Verify if there is a separate [contract](#) that needs to be executed prior to purchase order issuance. Also attach any required documents (see Additional Required Documents below).

- 5) Complete a goods or service request form in [RU Marketplace](#) attaching a quote and, if required, a proposed contract attached. See [Submit a Goods Request](#) or [Submit a Service Request](#).
- 6) After unit approvals, wait for the purchase order to be issued and the process completed.

C) **Orders From Suppliers With No University Contract (\$150,000 And Up) – Formal Bid**

For orders \$150,000 and over, units will need to go through a formal bid process. The formal bid steps are outlined in [3.0 Sourcing](#) and require University Procurement Services' involvement.

Prior to University Procurement Services' involvement, units must do the following:

- 1) Complete the [RFX Intake Form](#). This section has a checklist that units should be aware of in order to ensure compliance with University requirements and [Uniform Guidance](#). See [instructions](#) and [video](#). For University Procurement Services staff, see [RFX Intake Form Internal Processing Instructions](#).
- 2) If the purchase is sole sourced, refer to [3.0 Sourcing](#) and follow the [Waiver of Bid process](#). Complete the [Waiver of Bid Request Form](#), referring to the [instructions](#) and [video](#). For University Procurement Services staff, see [Informal Bid and Waiver of Bid Internal Process Instructions](#).

University Procurement Services will work with units throughout the formal bid process.

Once the formal bid process is complete, units need to follow these steps to place an order:

- Complete a goods or service request form in [RU Marketplace](#) attaching a quote and, if required, a proposed contract. See [Submit a Goods Request](#) or [Submit a Service Request](#). Also, attach any required documents (see Additional Required Documents below).
- After unit and University Procurement Services approvals, wait for the purchase order to be issued and the process completed.

B) **Additional Required Documents**

There may be other documents that that must be signed or approved prior to purchase order, depending on the supplier or the type of engagement. Most of these items are included on the purchasing intake forms ([Informal Bid Intake Form](#), [RFX Intake Form](#), and [Waiver of Bid Request Form](#)).

The additional forms are:

- [ICED \(Independent Contractor or Employee Determination\)](#) – This is a prerequisite document for guest lecturer, honorarium, or professional services engagements, that the prospective supplier must complete and must be reviewed and approved by University Procurement Services or University Tax Department prior to any start of service. Please refer to the [Professional and Business Services Matrix](#) for assistance.
- [BAA \(Business Associate Agreement\)](#) – This agreement is required when a unit is engaging services that include creating, receiving, maintaining, or transmitting Protected Health Information (PHI). Use of the university template is preferred. A non-University template may be authorized upon contract management review, negotiation and approval. This contract must be negotiated and approved by the Rutgers’ Office of General Counsel.
- [Facilities Checklist](#) – This checklist should be reviewed if the purchase is a facilities engagement.
- [Public Works Registration](#) – This registration is needed for all facilities or constructions-based engagements.
- [Statement of Work](#) – All service-based purchase orders should have a Rutgers Statement of Work that outlines the service scope and deliverables. This would include most professional services. This should be attached to the requisition as an internal document. Please refer to the [Professional and Business Services Matrix](#) for assistance.
- [TPRA \(Third Party Risk Assessment\)](#) – This assists units in evaluating the security/compliance of third parties or application service providers by requiring the supplier to disclose their method of managing and storing restricted, internal or public information. The unit must forward the TPRA to Rutgers’ Office of Information Technology to review, assess the prospective supplier’s processes, and make a recommendation regarding moving forward with the supplier. The goal is to provide a safe environment for Rutgers’ data, assets, and resources and to maintain confidentiality.
- [Voluntary Product Accessibility Template](#) – This assists University Office of Information Technology in assessing whether the electronic or information technology product being purchased meets accessibility standards.

5.2 Alternate Transactions

Not all requests through RU Marketplace seek the acquisition of goods and services. Such requests may be executed through a [Check Request](#) or [Non-PO Upload](#), both of which are initiated in RU Marketplace.



Moreover, some goods and services may be acquired without the use of RU Marketplace through the use of a Rutgers PCard.

5.2.1 Non-PO Uploads

[Non-PO Uploads](#) are a transaction process used for paying individuals rather than businesses, and can be used to pay individuals for:

- Non-qualifying scholarships
- Royalties (employees)
- Teaching Assistant/Graduate Assistant Awards (TA/GA)
- Patient refunds
- Non-employee refunds
- Petty cash (**pending Accounting approval**)
- Human subject payments/direct disbursements

Non-PO Uploads make it simple to submit a payment request for multiple individuals at once and allows units to track the status of the request. The process also ensures that the payments meet university requirements and IRS rules governing the taxation of payments to individuals (see [8.0 Payments](#)).

5.2.2. Purchasing Cards (PCards)

The Purchasing Card (Pcard) credit card program delegates purchasing authority and capability to eligible Rutgers staff. The Pcard, issued by Bank of America, eliminates the need for low-dollar requisitions and is convenient for suppliers that do not accept POs. Using the Pcard provides quicker turnaround time, greater flexibility, and reduced paperwork on orders. The card may be used solely for purchases related to official Rutgers business.

Low-dollar items may be purchased with the PCard if the following *two* conditions are met:

- the item is not available from a university-contacted supplier or an internal supplier; and
- the purchase is necessary to the mission of the unit

For more information, please see the Card Programs Procedures Manual.

5.3 Change Orders

There are times when a unit needs to change an order. Only open orders can be changed. The ability to change an order depends on the type of ordering method that was used. Change orders are not accepted for Check Requests (see [8.0 Payments](#)), Quick Orders, or Punch-Out Catalog Orders.

Reasons to change an order:

- Increase/decrease the amount of an order, including as a result of a change in scope of work



- Increase/decrease quantity of order
- Canceling an order
- Closing an order (if remaining funds are on order)

Orders that can be changed:

A) **Internal Purchase Order** – While University Procurement Services does not initiate IPOs, its involvement is necessary when processing a change order request.

- 1) The unit opens the Change Order folder in [RU Marketplace](#), within Forms.
 - For increases/decreases, use the PO Line Modification Form
 - For closes/cancelations, use the PO Line Close/Cancel Form
- 2) University Procurement Services receives the form and makes the change in the system.
- 3) The unit contacts the internal servicing department and communicates the change.

B) **Goods or Service Request Order** – Any order where a Goods or Service Request Form was required for the requisition is eligible for a change.

- 1) For service-related change orders, a service amendment may be required. Amendment forms are available in the University Procurement Services Forms Repository.
- 2) The unit opens the Change Order folder in [RU Marketplace](#), within Forms.
 - For increases/decreases, use the PO Line Modification Form
 - For closes/cancelations, use the PO Line Close/Cancel Form
- 3) University Procurement Services receives the form (with attached amendments as appropriate), reviews the change (and signs any needed documents) and makes the change in the system.

References

Campus Instructions

[Active IPO Search](#)

[Submit an Internal Purchase Order](#)

[Check Request Processing Instructions](#)

[Submit a Check Request](#)

[Punchout Process Instructions](#)

[Catalog purchase Job Aid](#)

[Submit a Quick Order](#)

[Submit a Goods Request](#)



- [Submit a Service Request](#)
- [Informal Bid Intake Form Instructions](#)
- [Informal Bid Intake Form Instructional Video](#)
- [RFX Intake Form Instructions](#)
- [RFX Intake Form Instructional Video](#)
- [Waiver of Bid Request Form Instructions](#)
- [Waiver of Bid Request Form Instructional Video](#)

Process Flowchart

- [Ordering Goods and Services](#)

University Procurement Services Internal Instructions

- [Check Request Internal Process Instructions](#)
- [RFX Intake Form Internal Process Instructions](#)
- [Informal Bid and Waiver of Bid Internal Process Instructions](#)

Revisions

Effective Date	Approver	Change Reference	Issue #

STANDARD OPERATING PROCEDURE: **6.0 SHIPPING AND RECEIVING**

This procedure is in accordance with Procurement and Payment Policy 20.1.11.

Introduction

The university has shipping contracts with a few major shipping suppliers and generally, goods and services should be shipped using these contracts. Units are also responsible for proper receipt of goods and services, and follow up with the supplier if there is any shipment shortage or damage.

For training and additional resources on Shipping and Receiving, please visit University Procurement Services' [Training and Resources](#).

Procedure Outline

6.1 Shipping

6.2 Receiving Goods and Services

6.3 Mail Services

Definitions

Category team: In University Procurement Services, specific managers and analysts (formerly known as buyers) are grouped to manage different categories of suppliers.

Standard Operational Procedure (SOP): A set of instructions that functionally describes the key procedures.

Unit/end user: Unit is the general term for a school or department and is used interchangeably with end user, who is any individual authorized to create requisitions or other procurement requests.

Procedures

6.1 Shipping

Units should contact the Professional and General Services [Manager](#) University Procurement Services for a listing of university shipping contracts, and generally, units should use these contracts. University Procurement Services will help with selecting the most favorable supplier for the unit's needs, assist with setting up an account, and ensure that discounted rates are applied.

Units are responsible for making sure that suppliers send their orders to the proper location. Shipping to a non-university address is typically not allowed, unless there is an appropriate business purpose to do so. Units must receive prior approval from University Procurement Services to ship goods to a location other than an official university address. See [Shipping Process Instructions](#).

6.1.1 Hazardous Materials

All outbound shipments, including any pre-paid returns, which are considered or defined as hazardous, infectious or dangerous, should be directed through Rutgers Environmental Health and Safety. Please visit the Rutgers Environmental Safety Office (REHS) [Dangerous Goods Shipping](#) site to review detailed information regarding requirements.

When creating a requisition in [RU Marketplace](#) for the purchase of a good that constitutes Hazardous Materials, the unit end user should select the corresponding Health and Safety Commodity Code. They will be redirected to the REHS site, and their requisition goes through an approval process by REHS before it can be completed in RU Marketplace.

6.1.2 Payment for Shipping

It is the unit's responsibility to report any shipping damage to the shipping supplier as soon as possible. If shipping is paid by the goods supplier, then units should contact that supplier directly for resolution.

There are several ways to pay for shipping:

- 1) Invoices are mailed to the unit, and are generally paid by Check Request Matrix in [RU Marketplace](#). Invoices may also be retrieved online if the supplier allows users to set up an account profile. This option is useful for tracking outstanding payments and ordering necessary shipping supplies. A requisition can be created for one or more invoices on a check request, attaching a copy of each invoice as supporting documentation.
- 2) Invoices may be paid with a blanket purchase order. This option is convenient if the unit regularly uses and is invoiced for a large volume of shipping services. The end user creating the requisition should communicate to the supplier that the blanket purchase order number must be listed clearly on all invoices in order for payment to be processed when sent directly to the PO Invoice Processing team in [Accounts Payable](#).
- 3) If a unit uses the CampusShip program, they should have an account set up with the University Procurement Service Help team in [Accounts Payable](#). Their general ledger string and shipping priority options will be hard-coded to this account. Mass billing is done directly by Accounts Payable through an internal system in conjunction with UPS, similar to punch-out supplier payments.
- 4) The Procurement Card (PCard) program may be used to pay for shipping invoices in the event that the shipping service used is not part of a university contract.

6.2 Receiving Goods and Services

Units are strongly encouraged to receive goods through [RU Marketplace](#) after delivery from the supplier. When a unit creates a receipt against a purchase order in the system, the accrual hits the appropriate open period, therefore assisting the unit in managing their monthly reports, especially in cases where Accounts Payable has not yet processed payment on a supplier invoice. See [Receiving Process Instructions](#).

Before being able to receive goods in RU Marketplace, there must be a valid purchase order to receive against. The action to create receipts will not be available if a purchase order is closed. Receiving at Rutgers University is done at the unit's discretion, except in the case of capital equipment, where system receiving is required.

Units are responsible for reviewing their deliveries and determining if the quantity delivered is equal to the quantity ordered.

6.2.1 Over-shipment by Supplier

- 1) If the unit wishes to keep the excess material, the unit will need to log in to [RU Marketplace](#) and access the Change Order file, and complete the PO Line Modification Form.
- 2) If the unit does not wish to keep the material, they will need to coordinate a material return with the supplier.

6.2.2 Under-shipment by Supplier

- 1) If the unit wishes to wait for the balance material, they will wait for the additional shipment and proceed with closing the order.
- 2) If the unit does not wish to wait for the balance, they will need to log in to [RU Marketplace](#) and access the Change Order file, and complete the PO Line Modification Form.

6.2.3 After the Shipment is Received

- 1) Once the shipment is received, units must create a Quantity Receipt in the purchase order, within [RU Marketplace](#).
- 2) RU Marketplace then creates a receipt document number.
- 3) The purchase order status changes to "fully received."
- 4) The supplier sends the invoice.

6.2.4 Invoice Disputes

Invoice disputes can arise when the purchase order is fully received but an incorrect invoice is sent by the supplier. Invoices can be incorrect due to erroneous quantities or pricing, if items invoiced do not match



the items on the purchase order, or if the goods/services provided do not meet the standards required by the unit. Units should be diligent in reviewing their invoices for correctness.

When an invoice is processed through RU Marketplace, it is routed automatically under hard-coded matching rules. Incorrect invoices that do not comply with these rules route to specific queues which Accounts Payable monitors.

When an invoice dispute is found (see [7.0 Invoicing](#)), an account expeditor may advise the unit to contact the supplier to resolve an invoice dispute. When the unit is satisfied with the resolution, they would then notify Accounts Payable on how to proceed with the invoice payment or cancelation.

6.3 Mail Services

Rutgers University Mail Services is the mail distribution hub available for all units for regular mailing needs. Mail Services functions as an internal supplier in [RU Marketplace](#) and are paid via an internal purchase order. Please visit [Mail Services](#) for the full scope of services provided.

References

Campus Instructions

[Shipping Process Instructions](#)

[Receiving Process Instructions](#)

Process Flowchart

[Shipping Process](#)

Revisions

Effective Date	Approver	Change Reference	Issue #

STANDARD OPERATING PROCEDURE: 7.0 INVOICING

This procedure is in accordance with Procurement and Payment Policy 20.1.11.

Introduction

University Procurement Services is responsible for processing the payment of invoices to suppliers in compliance with university policies and procedures. When suppliers provide a valid invoice(s), University Procurement Services will begin the invoicing process.

Procedure Outline

7.1 Invoice Intake

7.2 Invoice Review and Validation

7.3 Invoice Processing

7.4 Invoices with Special Considerations

7.5 Approved and Completed Invoices

Definition

Detailed Manual Entry: Option to view the invoice in more detail in RU Marketplace. This allows the expeditor to match the invoice to the purchase order, and find possible discrepancies. This view is only available to the processors.

Digital Mail Room (DMR): An automated incoming digital mail program that extracts and validates supplier invoice data for integration in RU Marketplace.

Expeditor: Second tier invoice processor with advanced roles and responsibilities who handles problem invoice queues and advises a team of processors on issues.

Invoice Processor: First tier Accounts Payable staff who processes invoices for payment.

Internal Purchase Order (IPO): An IPO is a purchase order for a good or service that is provided by a university unit to another university unit. Related costs are billed to the receiving unit using an approved recharge rate. University Procurement Services generally does not assist with these transactions, except in the event of an order change.

Interface: The visual part of a web application such as RU Marketplace through which a user can interact with the system to give instructions, enter data, or view information.



Kofax: An automated intelligent-capture program extracting invoice data for integration into RU Marketplace.

Oracle: A database that manages and processes data across wide and local area networks. The Oracle database has its own network component to allow communications across networks.

Punch Out Supplier: A contracted supplier set up through University Procurement Services for users to procure products by accessing their catalogue through the RU Marketplace portal. These suppliers are linked on the homepage for easy access.

RU Marketplace: RU Marketplace is the university online system that covers all stages of the procure-to-pay process. This system provides a comprehensive approach to the provider and unit. The tool also allows for data analytics by measuring the effectiveness of contracts, transaction approval cycle times, and use of automated invoice processing.

Standard Operational Procedure (SOP): A controlled document that functionally describes the key procedures.

Unit/Division/Org (UDO): A unit's 10-segment ledger string used for charging expenses.

University Facilities and Capital Planning (UFCP): University Facilities and Capital Planning

Validation Processor: Accounts Payable staff who validates invoices before invoice processing can start.

Procedures

7.1 Invoice Intake

The invoicing process begins when a supplier provides an invoice, referencing a valid university purchase order (PO) number, allowing Accounts Payable within University Procurement Services to process the payment in the [RU Marketplace](#) system.

Suppliers are instructed on the PO to send their invoices to Accounts Payable for payment. It is strongly encouraged that invoices be sent via [email](#), preferably a PDF file as an attachment, for quicker processing. In very rare circumstances, paper invoices may be accepted through regular postal or inter-office mail. Additionally, invoices from punch-out suppliers are sent to RU Marketplace directly via a file transfer.

Any invoice without a university-issued PO cannot be not accepted for payment. Invoices that are attached as back-up documentation to PO requisitions are not acceptable for payment, as this is in violation of University Procurement Services [policy](#). Therefore, units should not order or receive goods/services without a valid PO. In addition, University Procurement Services does not review POs with attached invoices, as this is also a violation. Invoices must be sent through one of the preferred methods noted above.

For internal control purposes, the following documents are not considered valid or acceptable for processing and are therefore discarded:

- Statements
- Estimates/proposals/quotations
- Acknowledgements/delivery tickets/packing lists
- Altered invoices

7.2 Invoice Review and Validation

There are two ways that emailed invoices are reviewed and validated before they are integrated for processing in RU Marketplace. Most are routed to the Digital Mail Room (DMR) for automated validation. However, certain types of invoices do not qualify for DMR and must be processed in Kofax by Accounts Payable. These automated systems use intelligent capture to review for the following requirements:

- Purchase order number
 - Supplier name as shown on purchase order
 - Invoice that corresponds to an open purchase order
 - Invoice number
 - Invoice date is the same as or later than purchase order date
 - Payment terms
 - Rutgers University as the “Bill To”
 - Supplier “Remit To” address
 - Billing details
 - Line detail to enable purchase order line matching
- a. Digital Mail Room – Most emailed invoices route to DMR. If an invoice is found to be invalid or missing required fields, it is returned to Accounts Payable for review in the DMR Portal. From there, the validation processor can choose to delete the document, send it back to DMR for re-processing, or download it for processing in Kofax.
 - b. Kofax – Invoices that cannot be validated through DMR must be printed at Accounts Payable. If necessary, printed invoices are batched according to criteria (single-paged, multi-paged). They are then scanned into Kofax for digital validation:
 - 1) A validation processor opens an invoice image. A corresponding table with required invoice fields opens alongside the image.
 - 2) The processor compares data in table fields with the invoice image, checking for information that was not captured or was captured incorrectly and makes corrections. The processor may need to go into RU Marketplace to ensure that the PO is valid.

- 3) If an invoice cannot be validated due to missing required fields on the invoice image, the processor rejects the invoice. This action routes the invoice to a quality control processor, that either makes corrections and completes validation, or deletes the invoice.
- 4) Validated invoices are transmitted to RU Marketplace where they are routed to alphabetical queues according to the supplier name.

7.3 Invoice Processing

University Procurement Services has subgroups of invoice processors and expeditors who are tasked with handling invoices for payment processing, using RU Marketplace queues where invoices are routinely integrated through DMR, Kofax validation, or routed after invoice approval and matching processes.

Below are relevant queues that can be sorted and filtered to maximize processing:

- **Invoice Import Approval** – This is a general queue where all validated invoices are routed, accessible to all invoice processors and expeditors.
 - Suppliers by alphabet (including numeric) queues – These queues are filtered from Invoice Import Approval for responsible processor groups.
- **Invoice Import Notification** – Imported invoices may have errors when transmitted to RU Marketplace, such as duplicate invoices or invalid purchase orders. In this queue, only expeditors can make the necessary adjustments to the invoices in the interface and push them to the general Invoice Import Approval queue when ready for processing.
- **Matching Exceptions** – Tolerances are allowable variances between an invoice and a purchase order, such as very low dollar amounts. In many cases, University Procurement Services will approve an invoice if a variance is small and does not significantly impact a unit's purchase order funding. Matching exceptions are generated by the system when the variance is beyond allowable tolerances. The expeditor must review before processing can be completed.
- **Closed Purchase Order Exceptions** – Invoices cannot be processed against a closed or canceled blanket purchase order, or closed or canceled lines on a quantity-based purchase order. Action cannot be taken on a canceled purchase order or line. The expeditor must review before processing can be completed.
- **Accounts Payable Prepayment Review** – Only expeditors handle prepayment requests and have access to this queue. This is where unit requisitions via the Pre-Payment Request Form are routed to.
- **Wire Invoice Processing Review and Approval** – Invoices with a request to use a wire transfer for the payment method are handled by expeditors, supervisors, or managers. It is very important that the processor reviews the request and selects the wire payment method before completing the invoice for payment.

RU Marketplace provides a number of invoice statuses available for units' viewing. It is important to understand the status of an invoice in RU Marketplace. This information is visible to the unit under the "Invoice tab". If the unit has additional questions, they may contact the University Procurement Services [Help Desk](#).

Listed below are the invoice statuses:

- **In Process** - An invoice with "In Process" status is ready for an invoice processor to initiate the payment process once it is routed to the appropriate queues.
- **Payable** - An invoice with "Payable" status has been completely processed through invoicing and is in queue for payment to be issued per terms. This means that an invoice will reside in the system with "Payable" status, and a payment will not be processed until approximately a week before the due date on the invoice per regular net-45 payment terms.
- **Paid** - An invoice with "Paid" status has been paid per terms, and payment information is available from Oracle and RU Marketplace.
- **Canceled** - An invoice with "Canceled" status has been canceled by University Procurement Services for reasons such as finding duplicate invoices. In addition, a unit may reach out to University Procurement Services and request an invoice be canceled if they know it was issued incorrectly, such as from a dispute. Canceled invoices are edited with an X, XX, etc. to differentiate with the true valid invoice that should be processed. For example, a duplicate would be marked "INV1982X" and "INV1982" would be paid. Once canceled, an invoice cannot be processed.

7.3.1 Invoice Review, Adjusting, and Completing

Accounts Payable processes invoices when the processor accesses their designated alphabet queue, sorts the invoices by highest dollar amount and carefully verifies the amounts.

Three different screens are opened in RU Marketplace order to review line by line:

- 1) The invoice in "Detailed Manual Entry" view in the interface.
- 2) The scanned image of the invoice (via DMR, Kofax, etc.).
- 3) The purchase order referenced on the invoice.

The requirements for invoices on the invoice interface must be matched exactly to the corresponding information on the supplier invoice image. This is another check for accuracy. The processor can make adjustments directly on the interface. For example, if a supplier address is not captured correctly through validation, the processor can correct that field.

The processor then compares the corrected invoice and the purchase order, checking that all requirements for invoices (date, remit to address, invoice number, etc.) accurately match. The invoice is reviewed for discrepancies and adjustments can be made on the amount or quantity, line by line where applicable, within tolerances (see 7.3.2).

Common issues may surface during review and can be resolved before completing the invoicing process:

- The purchase order or a line has insufficient funds. Accounts Payable can contact the unit via the Comments tab, and request an order modification. This is done through the Change Order form in [RU Marketplace](#). Units are responsible for ensuring that their purchase order has sufficient funds. In some cases, a new purchase order may be needed to apply to an invoice for payment. The new purchase order should reference the old purchase order to assist in resolving any issues.
- Invoice disputes arise when a supplier invoices the unit for items that either do not match the items requested on the purchase order, or the goods/services delivered to the unit are not correct. Units are responsible for resolving invoice disputes with the supplier and will notify Accounts Payable if invoice processing can continue as needed.
- Internal supplier invoices can also come through RU Marketplace queues to Accounts Payable. If an invoice does not match an internal purchase order (IPO), an expeditor may contact the internal units for resolution, particularly for high dollar amounts.
- Electronic invoices from punchout supplier file transfers may not be matched to a purchase order. Accounts Payable may reach out to the supplier for resolution.
- Non-standard invoices may require a different process for payment and accounting purposes outside of RU Marketplace. Please see [8.0 Payments](#).

When all required fields match on the invoice and purchase order, the processor completes the process from the interface. This will change the invoice status to “Payable” and move it to a system queue for payment.

7.3.2 Invoice Matching and Resolution

Invoices are subject to an internal system matching process once they are fully accounted for by a processor. This process may generate exceptions and route invoices to exception queues.

The two most common exceptions:

- Matching Exceptions, which apply to open purchase orders
- Closed Purchase Order Exceptions, which apply to closed or partially closed purchase orders

Accounts Payable applies set tolerance rules as part of the exception process.

Three of the most common tolerances are:

- 1) Invoice total up to \$100 over the amount on the purchase order. This is within tolerance and will be processed without question.
- 2) Invoice totals between \$100.01 to \$1,000 over the amount on the purchase order. This is considered outside of the tolerance and will trigger an exception. Accounts Payable will contact the unit and request authorization to pay, which can be done on the Comments tab.
- 3) Invoice total is in excess of \$1,000 over the amount of the purchase order. This is considered outside of the tolerance and will route to exception queues. Accounts Payable will contact the unit and request an order modification via a Change Order form to increase the amount or a new purchase order to pay for the invoice.

Accounts Payable expeditors are responsible for researching and resolving these invoice issues. The unit can be contacted for resolution assistance. The unit must update Accounts Payable via the Comments tab in RU Marketplace if they are taking action. It is critical that the unit selects the specific expeditor/processor's name on the interface to notify them of any change. Until action is taken to complete processing, invoices will remain in these exception queues.

- **Matching Exceptions** – Matching exceptions generate when invoice processing is attempted on open purchase orders or lines. Usually the unit would have to take action per the request of Accounts Payable, such as doing an order modification on the purchase order.

Types of Matching Exceptions:

- **Overbilled amount** – The total invoice amount is over tolerance on the purchase order amount. For example, the blanket purchase order calls for \$500 total on ten boxes of custom envelopes. The supplier invoices the unit \$610 due to extra production costs. The unit must Comment in RU Marketplace that the invoice is “okay to pay” in order for the invoice to be completely processed.
- **Overbilled quantity** – The purchase order calls for twenty binders at \$10 each. The supplier invoices the unit forty binders at \$5 each due to a price reduction from the original supplier quote. The first twenty binders can be invoiced which would expend the quantity fully and close the purchase order. Even though the total amount would match at \$200, the remaining twenty binders cannot be paid on the purchase order and the unit would have to request a new purchase order if they chose to keep all the binders.
- **Overbilled amount and quantity** – The purchase order calls for ten desktop printers at \$200 each, totaling \$2000. The supplier invoices the unit for twelve printers at \$205 each, totaling \$2460. The quantity is expended at the first ten printers, which closes it, and overbills the total purchase order amount over tolerance. Since the quantity is closed, a new purchase order would be required to pay the remaining balance.

- **Closed Purchase Order Exceptions** – Purchase orders can be closed from invoice processing or closed/canceled by request from the unit via the Change Order form in [RU Marketplace](#). Generally, closed or canceled purchase orders or lines cannot have any action done on them. Closed purchase orders or lines should not be reopened for additional expenses. However, Accounts Payable may reopen them strictly to process credit memos. Canceled purchase orders or lines cannot be reopened.

Types of Closed Purchase Order Exceptions:

- **Closed Purchase Order** – The purchase order has been fully expended and auto-closed during invoice processing. (E.g. A blanket purchase order was estimated at \$1000 to pay for a year's worth of monthly services. The first seven months' invoices total \$1150, expending the full amount over tolerance, and automatically closing the purchase order. The remaining five months' invoices would need to be paid against a new purchase order).
- **Canceled Purchase Order** – The unit can request a purchase order to be canceled by University Procurement Services using a Change Order form. This action not only closes the purchase order, but also returns the encumbered funds back to the UDO. (E.g. The purchase order was created mistakenly and was no longer needed. If the unit finds the purchase order was needed, they would need to enter in a new requisition for a Purchase Order).
- **Closed Line** – A specific line on a purchase order can be fully expended and consequently closed. However, this does not mean the full purchase order is closed, and other lines may be open for invoice processing. (E.g. A line calls for three boxes of pens and another line calls for five boxes of paper. An invoice comes in billing the unit for three boxes of pens only. That line is fully expended and closes, but the purchase order remains open for the five boxes of paper due to be invoiced).
- **Canceled line** – A specific line on a quantity-based purchase order has been canceled as requested by the unit using a Change Order form. The line would be closed and encumbered funds would be returned to the UDO. (E.g. the line was opened for a specific item, but the item is no longer needed by the unit. If the unit then finds the item was actually needed, they would need to requisition it on a new purchase order. There are no longer any funds on the purchase order line).

7.4 Invoices with Special Considerations

Accounts Payable may receive other types of invoices for processing. These invoices result when there is a need to process a credit to Rutgers, recurring payments, pre-payments or invoices that fall outside the general invoicing structure, amongst others.

- **Credit Memos** – Credit memos are issued by the supplier to return funds owed to the University, generated from duplicate payments, overpayments, or incorrectly issued payments. They will be scanned and validated through DMR or Kofax and go through the regular invoicing process in RU Marketplace, including routing to exception queues. A purchase order must be open in order for a credit to be processed against it. Accounts Payable may re-open a closed purchase order or line in RU Marketplace and Finance Management in order to apply owed funds to the purchase order and the UDO.
- **Invoices \$5,000 and over**– Invoices \$5,000 and over require online approval in RU Marketplace based on the unit’s approval hierarchy. See [Approve an Invoice](#).

To process an invoice \$5,000 and over:

- 1) The invoice goes into a queue for Invoice Review/Approval.
 - 2) The system recognizes when the amount of a processed invoice is over \$5,000 and sends the designated unit approver a notification to take action.
 - 3) The unit approver must open the invoice and Approve it from their actions menu. Until this is done, the invoice remains with “In Process” status and cannot route for payment.
 - 4) Once online approval is complete, the invoice changes to “Payable” status, and payment is issued per supplier terms.
 - 5) Accounts Payable runs monthly clean up reports to identify invoices still requiring online approval from the unit. Designated approvers are contacted to take action. This helps accounting processes to post expenses in appropriate open periods. In cases when the designated approver has changed, Accounts Payable could forward the invoice to the new authorized approver so that they may see approval actions in RU Marketplace.
- **Pre-payments** – Pre-payments are payments that a supplier may need before the goods or services are delivered, such as a deposit to start work on a project. These payments have immediate payment terms and Accounts Payable expeditors process pre-payments as acknowledgements to the unit that their request is acceptable. See [Pre-Payment Request Process Instructions](#).

To initiate a pre-payment:

- 1) In [RU Marketplace](#), the unit will complete the pre-payment request under Forms/Supplemental Forms. The request must include a valid a purchase order number.
- 2) The requisitions will be route to the AP Prepayment Review Queue, where expeditors review their validity. If they do not qualify as true pre-payments, the requisition is rejected.

- 3) If the requisition is valid, the expeditor assigns it to themselves in order to continue the requisitioning process. An invoice number is created using the naming convention “POxxxxx [space] Prepayment” so that the required field invoice number field is complete. This is due to the fact that generally, supporting documentation submitted with the purchase order and prepayment form are not finalized invoices (quotes, estimates). The expeditor checks for any special instructions and ensures terms are immediate.
 - 4) The expeditor submits the requisition for approval. This action moves the requisition out of the pre-payment queue as an “Invoice” for payment processing.
 - 5) The expeditor may continue the regular approval process and complete the invoice to “Payable” status.
- **Small Businesses** – Some suppliers are small businesses and by nature may not be equipped to produce generic invoices that would be valid for Accounts Payable processing. (E.g. A local pizza store may issue a handwritten receipt without an invoice number). An invoice processor can then add an invoice number following a naming convention when processing in the interface. Additionally, small businesses depend heavily on quick payments, therefore payment terms can be adjusted as needed.
 - **Utilities** – Some regularly recurring invoices for utilities, (e.g. PSE&G, municipal water) can go through a purchase order as opposed to the [Check Request](#) method. Accounts Payable works with University Facilities and Capital Planning to handle processing payment on these invoices. Utility payment terms are immediate. Note, other utility invoices can go through regular invoice processing in RU Marketplace, and are not handled by UFCP.
 - 1) UFCP receives paper invoices from the utilities supplier, completes their accounting process, and notes the purchase order number for each invoice. The invoices are then delivered to Accounts Payable.
 - 2) The invoice processor scans all paper invoices to an accessible drive in preparation for attaching to the interface invoices in RU Marketplace.
 - 3) A manual entry invoice is created in the interface. When the purchase order is entered into the corresponding field, the system will populate supplier information. If there is no invoice number, such as for PSE&G, the processor will add one in the required field, using the naming convention “account number [space] date” to ensure the supplier can apply payment properly. The scanned invoice is uploaded to the interface. Regular processing is done until completed to “Payable” status.
 - 4) If the utility supplier requires, an invoice stub or other documentation may be mailed with the paper checks.
 - **Wire Transfers** – A [wire transfer](#) is an electronic payment for an invoice that has been submitted for processing. Accounts Payable processes invoices with wire transfer forms with the assistance of University Treasury.

To initiate a wire transfer payment:

- 1) The form is routed to the Wire Review Approval Queue for an expeditor, supervisor, or manager to sort and review by date submitted.
- 2) The expeditor reviews the requisition to ensure the following items have been provided or that the invoice has not been paid before approving:
 - A valid purchase order number
 - Matching invoice amount between the attached back up documentation and the requisition
 - Confirms the invoice has not been paid; Invoice status should show as “In Process”. Once confirmed, the requisition is forwarded to University Treasury.
- 3) University Treasury reviews the request for valid banking information and sends the wire payment to the supplier’s bank. The requisition is sent back to Accounts Payable to book the expense through RU Marketplace, since the wire payment was done outside of the system.
- 4) The returned requisition will be routed to the Wire Invoice Processing Approval queue. A requisition must be approved to move it out of the workflow.
- 5) The invoice can be processed regularly against the purchase order.
 - a. The invoice number entered can be the invoice number referenced on the wire transfer form.
 - b. Terms are changed to “Immediate”.
 - c. The wire requisition is attached to the interface invoice by pasting the URL into the attachment dialogue box.
 - d. Payment method must be changed to “Wire”. This is critical to ensure a paper check is not produced.
 - e. A US dollar amount must be entered. For international wires, the amount must be verified from University Treasury comments on the requisition.
 - f. If the amount is \$5,000.00 and over, the expeditor can bypass Invoice Review/Approval and include a note that the invoice was “Paid by Wire.” The entry is completed and the invoice status changes to “Payable”. Since it is selected for wire payment, a check will not be issued, but the expense will be booked in Oracle. Wires should be accounted for in the correct open period.

7.5 Approved and Completed Invoices

After Accounts Payable completes invoice processing, the invoice status changes to “Payable” and is queued for payment.

- 1) An email notification is sent to the Requestor unit indicated as the “Prepared for” on the requisition, or individual to whom the purchase order has been reassigned (owner). This notifies units that their invoice is in process and payment can be expected to issue according to terms. If the “Prepared For” field was left blank, the notification is routed to the “Prepared By” user.
- 2) System processes run multiple times on a daily basis and invoices with “Payable” status are exported by Oracle from RU Marketplace to the Finance Management module.
- 3) Once in Oracle, invoices are in queue for validation. Daily validation processes are run by the system, searching and batching according to payment methods and due dates. Validation can also be run by an Accounts Payable manager for special circumstances.
- 4) Payments are issued through Oracle in Finance Management and payment information is exported back to RU Marketplace.
- 5) The invoice status changes to “Paid” in RU Marketplace. The check number routes to RU Marketplace from Oracle and is located in the Invoice tab.

References

Campus Instructions

[Invoice Approval Process Instructions](#)

[Approve an Invoice](#)

[Pre-Payment Request Process Instructions](#)

[Submit a Goods Request](#)

[Submit a Service Request](#)

Process Flowchart

[Invoicing Process](#)

Revisions

Effective Date	Approver	Change Reference	Issue #

STANDARD OPERATING PROCEDURE: 8.0 PAYMENTS

This procedure is in accordance with Procurement and Payment Policy [20.1.11](#).

Introduction

Accounts Payable in University Procurement Services processes approved payments to suppliers for the goods or services purchased by Rutgers. There are various mechanisms of payment, including but not limited to checks, electronic payments, wire transfers, credit card payments, journal entries, and procurement cards. Accounts Payable also works with units when payment cannot be made through regular methods.

Units are responsible for verifying that supplier information and payment terms are accurate, attaining proper authorization to complete transactions, and adhering to university procurement policies in order for payments to be disbursed in a timely manner. Payment issues can be resolved by contacting [University Procurement Help Desk](#).

For training and additional resources on Payments, please visit University Procurement Services' [Training and Resources](#).

Procedure Outline

- 8.1 Methods of Payment
- 8.2 Non-Purchase Order (PO) Upload Requests
- 8.3 Change in Payment Terms
- 8.4 Miscellaneous Transactions
- 8.5 Utilities
- 8.6 Direct to Oracle Feeds
- 8.7 Taxes

Definitions

Automated Clearing House (ACH): An electronic network for financial transactions in the United States; processes large volumes of credit and debit transactions in batches; credit transfers include direct deposit, payroll, and supplier payments.

Bill Head: A form used by units to indicate an individual payee name and address, accounting information, and transaction charges.



ePayables: External suppliers may elect to receive payment through the Bank of America ePayables program, in which funds are deposited to the supplier's virtual ("ghost") credit card that is assigned to the supplier through the program.

Journal Entry: An accounting transaction that records debits and credits from one unit's ledger account to another. A unit may use a regular adjusting journal for general ledger transactions or a cost transaction journal for project-related expenses.

PayMode: External suppliers electing to participate in Bank of America's PayMode network receive ACH direct deposits through PayMode into the bank accounts designated in the profile maintained by the PayMode network.

PPD: Prearranged payment and deposits. Used to credit or debit a consumer account. Used for payroll direct deposits and preauthorized bill payments.

Standard Operational Procedure (SOP): A set of instructions that functionally describes the key procedures.

Unit/Division/Org (UDO): A unit's 10-segment ledger string used for charging expenses.

Wire: A template for electronically transferring funds from one entity to another.

Procedures

8.1 Methods of Payment

Rutgers offers several methods of payment for suppliers. Payment is issued when all requirements are met for processing an invoice, including making any order modifications, resolving invoice disputes or shipping discrepancies, and goods received or services rendered. Payment methods and terms are determined in the supplier set-up process or the purchase order or related contract.

For all payment requests \$25,000 and greater, an additional supplier debarment check will be conducted prior to payment. If a supplier is unable to clear the debarment check, any payment request will be returned unprocessed to the authorized signer of the transaction.

8.1.1 Check

A traditional paper check is the most common method of payment to the supplier. Checks are issued by Accounts Payable and disbursed according to terms negotiated on the purchase order agreement. Check payments over \$250,000 must be signed by an employee with corporate authority with counter-signature privileges.

Checks are distributed to the supplier in two ways:

- 1) By mailing to supplier – Most checks are disbursed by Accounts Payable directly to the supplier. FedEx may be used for priority mailing if the unit provides its FedEx account number for Accounts Payable to indicate on the air bill.
- 2) By mailing to unit – Units may request a check be mailed back to their location. For example, documentation may be required by the supplier to be included with the check. This is common with [Check Requests](#).
 - Most checks produced from the Non-PO Upload Process are mailed back to the unit. Per Audit and Advisory Services, the unit must self-audit to ensure checks are made out to the correct entity.
 - In very rare cases, a unit may pick up a check from Accounts Payable in emergency circumstances. The individual must obtain explicit approval from an Accounts Payable manager.

8.1.1.2 Check Request

A check request is an official request to University Procurement Services to initiate payment for goods, services, or other business-related needs. In most cases, these payments do not require units to obtain quotes or bids. Check requests can direct payment to suppliers or to non-employees. Check requests cannot be payable to a Rutgers employee. See [Check Request Processing Instructions](#).

For University Procurement Services staff, see [Check Request Internal Process Instructions](#).

The [Check Request Matrix](#) is maintained by University Procurement Services and outlines the goods, services, or other business-related needs that are allowable to be paid via check request.

The matrix outlines:

- Which goods, services, or items are allowable to be paid via check request;
- The correct account code to use, if applicable;
- A detailed description of the good or service;
- Any details to include in the “Supporting Information” box on the check request form;
- The required supporting documentation, such as an invoice or receipt; and
- The invoice naming/numbering convention that University Procurement Services will use

Once the unit confirms that a good or service is eligible for check request payment, the unit should:

- 1) Complete and submit the New Supplier Request form in [RU Marketplace](#), if the supplier/payee is not in the system.
- 2) Complete the Check Request form in [RU Marketplace](#) and submit the Check Request form, along with needed back-up specified in the matrix. For wire transfers, complete and submit the Wire Transfer form in RU Marketplace after submitting the Check Request form.



- 3) Track the payment status in [RU Marketplace](#). Status can be checked by inputting a requisition number, purchase order, or invoice number in the search bar on the upper right-hand side of the homepage.

Checks are then mailed to the supplier, unless otherwise specified, and the process is complete.

8.1.3 Electronic Transfers through Treasury

ACH and wire transfers are payments sent to the supplier electronically with the assistance of University Treasury through Wells Fargo. University Treasury selects the payment delivery method.

- Payments for domestic non-same day transfers are done through ACH
- Payments for foreign payments and same-day payments are done via wire

Electronic transfers are used primarily for foreign wires, payroll, and pulls (authorized suppliers, such as government entities, debit funds directly from a Rutgers University bank).

After a purchase order or a check request is initiated, the following steps are required:

- 1) The unit initiates a wire by completing the Wire Transfer form (international or domestic) in RU Marketplace. Purchase order and bank information must be included.
- 2) The unit submits the form for approval and track the wire transfer status in RU Marketplace through requisition number, purchase order, or invoice number, using the Execute a Document Search job aid for assistance.
- 3) Once University Treasury approves the request, Accounts Payable creates a system invoice in RU Marketplace.
- 4) The unit approves the system invoice if the payment is \$5,000 and over.

8.1.4 Purchasing Cards (PCard)

Payment is via a Rutgers credit card issued by Bank of America, and administered by University Procurement Services. Low-dollar items may be purchased with the PCard if the following *two* conditions exist:

- the item is not available from a university-contracted supplier or an internal supplier; and
- the purchase is necessary to the mission of the unit

Units should contact the University Procurement Services [Manager Team](#) to confirm that the good or service is not available from a university contract prior to payment.

For more information, please see the Card Programs Procedures Manual.

8.1.5 Journal Entries

Funds are transferred from one unit to another using Unit/Division/Organization (UDO) strings via journal entry, which can either be done online in the [Finance Management module](#) or uploaded on templates found in the Office of the University Controller [Forms Repository](#).

Procurement-related processes that use journal entries:

- **Internal Purchase Orders (IPO)** - When a unit buys goods from another unit, invoicing and payment occurs in RU Marketplace similar to processes applied to external suppliers. When an invoice is incorrect, the end user purchasing goods or services from an internal supplier must create a journal entry to make the necessary corrections.
 - 1) Payments are made through an Oracle generated accounting entry when the IPO payment template is processed by Accounts Payable.
 - 2) Accounts Payable notifies the unit using the Comment tab in RU Marketplace, when large dollar amount discrepancies flag their internal invoice.
 - 3) The unit creates the journal entry to pay an overbilled difference owed to the internal supplier.
- **Gift Card Payments** – Units request Bank of America VISA gift cards through University Treasury using bill heads and other required documentation (see 8.4 below).
 - 1) University Treasury orders the gift cards from the bank on behalf of the unit. Accounts Payable completes the payment portion based on the billheads, where the unit must indicate their full UDO strings.
 - 2) Accounts Payable creates journal entries to charge the units, debiting their UDO string and crediting University Treasury's bank accounting string.
- **AT&T, Gateway, and CampusShip** - Several suppliers are set up with a dual-step process for payment due to the large volumes of recurring charges.
 - 1) The supplier provides a statement of invoices issued for a certain period, either emailed to Accounts Payable or available for download on their respective websites.
 - 2) Accounts Payable creates a [Check Request](#) to pay the supplier a sum based on applicable current charges on the statement. Payment is made out of an Accounts Payable clearing account. A copy of the statement/list of invoices is sent with payment to the supplier.
 - 3) Accounts Payable creates a journal entry to expense the cost to the unit. The journal will credit the Accounts Payable clearing account and debit the unit UDO.

- **Purchasing Cards (PCard)** – Purchasing Cards can be issued to units (specifically an end user) if they are eligible. Payment of charges incurred on a PCard follows a dual-step process.
 - 1) University Procurement Services issues payment from a clearing account to the bank to avoid delinquency. A payment file exports from WORKS (a file sharing system in conjunction with the bank) and imports to Oracle. Payment is charged to a default accounting string in Oracle provided by the unit, which is hard-coded to their PCard in the card set up process.
 - 2) Once the PCard charge hits the unit’s default accounting string, they have the option to journal the expense to another general ledger or project string.

8.1.6 ePayables Virtual Card

External suppliers may elect to participate in the Bank of America ePayables Program, in which funds are deposited to the supplier’s virtual (“ghost”) credit card that is assigned to the supplier through the program. The supplier receives email notification from ePayables and receives payment by drafting (charging) the virtual card for the amount of the invoices paid per the email notification. Suppliers or units should contact [Accounts Payable](#) for information and program eligibility.

How the program works:

- 1) University Procurement Services sets up a participating supplier’s payment address as ePayables Card (as the payment method) in the supplier profile and provides an identifier (sequence of supplier number and address).
- 2) After a unit purchases from the supplier and invoice processing is completed, Accounts Payable processes an ePayables payment batch, where the supplier-identifying information, invoices, and payment amounts are transmitted to a secure server.
- 3) The bank picks up the file from the server and processes the file through their system. ePayables credits the supplier’s assigned virtual card with the payment amount.
- 4) ePayables sends email notification of the payment including invoice details to the supplier. The supplier utilizes this information to charge their card for their invoices.

8.1.7 PayMode

External suppliers electing to participate in Bank of America’s PayMode network receive ACH direct deposits through PayMode into the bank accounts designated in the profile maintained by the PayMode network. PayMode maintains the supplier’s banking and contact information and provides Rutgers University with their unique Integration ID to identify the supplier.

How the program works:

- 1) University Procurement Services sets up a participating supplier's payment address as PayMode/ePayables Non-Card (as the payment method) in the supplier profile and includes the integration ID as the bank account number.
- 2) After a unit purchases from the supplier and invoice processing is completed, Accounts Payable processes a PayMode/ePayables Non-Card payment batch, where the supplier, integration ID, invoices, and payment amounts are transmitted to a secure server.
- 3) The bank picks up the file from the server and processes the file through their system. PayMode utilizes the Integration ID to create and send ACH transactions to credit the supplier's designated bank account. PayMode sends an email notification to the supplier identifying invoices paid.
- 4) Bank of America direct debits a designated Rutgers bank account to obtain funds to credit suppliers.

8.1.8 ACH – CTX

Some suppliers request to have their payments made through electronic funds transfer via ACH, where payments are directly deposited into the bank account designated by the supplier. CTX (Corporate Trade Exchange) is a file format defined for ACH transfers to corporate bank accounts. The supplier's banking information (routing number and bank account) is maintained in the University Procurement Services supplier database.

How the program works:

- 1) University Procurement Services sets up a participating supplier's payment address as ACH - CTX (as the payment method) in the supplier profile and enters the routing number and bank account number provided by the supplier.
- 2) After a unit purchases from the supplier and invoice processing is completed, Accounts Payable processes a CTX payment batch, where the supplier, routing number, bank account and amount of the payment are transmitted to a secure server. Suppliers opting to provide email contact information receive an email notification of payment.
- 3) The bank picks up the file from the server and processes the file through their system. The bank credits the individual bank accounts designated on the file and charges in bulk the Rutgers bank account.

8.1.9 ACH – PPD

Employees receive reimbursement of their expenses through ACH to the bank accounts that they designate in their Expense System profile. Prearranged Payments and Deposits (PPD) is a file format defined for ACH transfers to personal bank accounts.



How the program works:

- 1) Employees requesting ACH payment enter their banking information (account type, routing number, and bank account number) to their Expense system profile as the method of payment.
- 2) After an Expense reimbursement is processed and approved for payment, the Oracle Expense module sends expense payment information including bank routing information and account information to the Oracle Accounts Payable module.
- 3) Accounts Payable processes a PPD payment batch, where the employee, routing number, bank account, and amount of the payment are transmitted to a secure server. Employees receive email notification of the payment.
- 4) The bank picks up the file from the server and processes the file through their system. The bank credits the individual bank accounts designated on the file and charges in bulk the Rutgers bank account.

8.1.10 Pre-payments

[Pre-payments](#) are payments that a supplier may need before the goods or services are delivered, such as a deposit to start work on project. These payments have immediate payment terms and Accounts Payable expeditors process pre-payments as acknowledgements to the unit that their request is acceptable. See [Pre-Payment Request Process Instructions](#).

In order to initiate a pre-payment, units must do the following:

- 1) Determine the need for a pre-payment.
- 2) [Confirm](#) that the purchase is via purchase order (PO).
- 3) Follow the purchase order process (it is advisable to include "pre-payment" in the product description).
- 4) Once the PO is approved, units prepare and submit the Pre-Payment Form (with PO#) within [RU Marketplace](#).
- 5) Track the status of the pre-payment in [RU Marketplace](#). Status can be checked by inputting a requisition number, purchase order, or invoice number in the search bar on the upper right-hand side of the homepage. Use the [Execute a Document Search](#) job aid for assistance.

- 6) Wait for Accounts Payable to review, process and send the pre-payment.

8.2 Non-Purchase Order (PO) Upload Requests

If payment cannot be made using a purchase order or check request, which are the primary methods authorizing procurement of goods and services, a [Non-PO Upload request](#) may be initiated by the unit.

Non-PO Uploads are a transaction process used for paying individuals rather than businesses, and payment is in the form of a check.

This process can be used to pay individuals for:

- Human subject payments/direct disbursements
- Non-employee refunds
- Non-qualifying scholarships
- Patient refunds
- Petty cash
- Royalties
- TA/GA awards

Non-PO Uploads make it simple to submit a payment request for multiple individuals at once and allows units to track the status of the request. The process also ensures that the payments meet university requirements and IRS rules governing the taxation of payments to individuals. See [Non-PO Upload Request Form Process Instructions](#).

For University Procurement Services staff, see [Non-PO Upload Processing Internal Instructions](#).

8.2.1 Non-PO Upload Submission

In order to submit Non-PO Uploads for payment, units must do the following:

- 1) Complete the Non-PO Upload Request Form in [RU Marketplace](#), within Forms, and then Supplemental Forms.
- 2) Ensure that the upload for all recipients are the same classification. For example, one submission is the royalty non-resident alien list, another submission is the royalty employee submission, etc.
- 3) Choose Type of Upload and ensure that the individual's residency status is correctly identified (US citizen, non-resident alien, etc).
- 4) If recipient/s is a Non-Resident Alien, complete the [Payment to Foreign National Form](#) and contact Anelia Dolan with the University Tax Department at andolan@finance.rutgers.edu for review and additional information first **before** submitting this form with the upload submission.

- 5) Include the [Non-PO Direct Upload Recipient Data File](#) and send to the designated [University Procurement Services Sharepoint site](#), using the requisition number as the file name. Any back-up documentation and receipts should also be included here.
- 6) Track the status of the request periodically.

8.2.2 Types of Non-PO Uploads

These are the types of non-POs that are available using the Non-PO Upload Request Form:

- **Human subject payment/direct disbursement** – A human subject payment is a payment made to human subject/recipient/ participant in clinical trials, and is typically paid to the Principal Investigator by check using the non-PO upload. The Principal Investigator will then distribute payment to the human subject recipient.

A) By Check:

Required Documentation for Principal Investigator: PDF copy of email, letter or memo detailing the business justification of the payment, along with the bill head form and the Questionnaire for the Management of Funds Direct Disbursement Form on the [University Procurement Services website](#).

Required Documentation for Individual: Human Subject payments directly to the individuals who participated in the study should go through the [Check Request Matrix](#).

B) By Gift Card:

Required Documentation for Store Gift Card: Human Subject payments via store gift cards should go through the [Check Request Matrix](#), where payment is made directly to the business from where the gift cards are purchased. This process is NOT handled by the Non-PO Upload Request Form.

Required Documentation for Bank of America Gift Card: Human Subject payments via Bank of America cards are NOT handled by the Non-PO Upload Request Form. Units should work directly with [Accounts Payable](#).

Needed documents are located on the [University Procurement Services website](#) and include the following:

- Bank of America Visa Card Banking Agreement Form
- Bank of America Visa Card Receipt Information Form
- Bill Head Form

- Questionnaire for the Management of Funds Direct Disbursement Form

- **Non-employee refund** – A non-employee refund is a university-associated fee (not related to travel or business expense) that is paid for by the non-employee but that should be returned in certain circumstances. Examples of a refund include but are not limited to a fee for a canceled program, a canceled class, deposit returns, etc.

Required Documentation: Cash Transmittal, Copy of the Check, Payment information.

Non-employee travel or business expense reimbursements, on the other hand, are expenses normally paid for by Rutgers, but are reimbursed to the non-employee for out-of-pocket costs (see [Travel and Expense Management Policy 40.4.1](#)).

Units should continue to request travel and business expense funds via the [check request](#).

- **Non-Qualifying Scholarship** - A non-qualifying scholarship is an expense such as room, board, travel (i.e. attend a conference), research (i.e thesis research) living allowance for non-employees, or expenses other than qualified tuition and fees, that can be issued in periodic payments. This may include certain types of fellowships. Examples of fellowships could include undergraduate summer research grants, honors program grants, or STEM (Science, Technology, Engineering, and Math) grants. A non-qualifying scholarship payment shall not be in exchange for services or jobs.

Required Documentation: Letter describing type of fellowship or scholarship, [completed W-9](#) (if US Citizen and resident alien), [W-8BEN](#) (if foreign), [completed Payment to Foreign National form](#) (if foreign)

- **Patient refund** – This is a refund for overpayment of patient account.

Required Documentation: Cash Transmittal, Copy of the Check, Payment information.

- **Petty Cash** – This is a reimbursement of funds held by the unit, and originally approved by Treasury. All reimbursements are audited by Brenda Crawley (Accounting) and forwarded to Accounts Payable for payment.

Required Documentation: Cash Transmittal, Copy of the Check, Payment information.

- **Royalties** –This is a payment for “permission to use” intangible property (i.e.: copyright, patent, software license. Employee royalties must be processed through the non-PO Upload. Royalties can also be paid by check request for a smaller number of recipients or for non-employees (see [Check Request Matrix](#)).

Required Documentation: Attached document with business purpose and description, accounting royalty distribution spreadsheet, [completed Payment to Foreign National form](#) (if foreign).

Additional Required Documentation for Non-Employees: [completed W-9](#) (if US Citizen and resident alien); [W-8BEN](#) (if foreign)

- **Teaching Assistant/Graduate Assistant (TA/GA) awards** - payment used for activities associated with academic progress toward the degree such as summer support, research support and travel.

- *Required Documentation:* [Completed Payment to Foreign National form](#) (if foreign); back-up documentation is kept within the unit (due to sensitivity of data)

8.3 Change in Standard Payment Terms

Any request for change in standard payment terms as set forth in a purchase order must be approved by Accounts Payable and University Procurement Services with justification provided by the unit or supplier. Units should reach out contacting [University Procurement Help Desk](#) for any such request. Accounts Payable may negotiate any alternative payment terms.

If approved, the change will be done by the Vendor Maintenance team within University Procurement Services.

8.4 Miscellaneous Transactions

Miscellaneous transactions are critical functions handled by Accounts Payable that may not fall directly under regular invoicing or payment processes, but can be related to procurement activities.

8.4.1 Credit Memos

Credit memos are sent to Accounts Payables directly by the supplier and processed in RU Marketplace in accordance with university policies. Units will see credits reflected in their purchase order as they would regular invoice transactions. See [7.0 Invoicing](#).

8.4.2 Check Refunds

[Accounts Payable](#) receives supplier checks due to credits owed to Rutgers University. Credits may be for returned goods, overpayments, duplicate payments, and other erroneous payments. Returned funds may be related to purchase orders, check requests, direct disbursements, human subject payments, gift cards payments, or travel expense reimbursements.

Check refunds are processed by Accounts Payable through Wells Fargo and the [Finance Management module](#), using cash journal templates found in the Controller's Office [Forms Repository](#). The refund process does not place funds directly back on the related purchase order in RU Marketplace; thus the unit is responsible for doing any order modifications if needed.

8.4.3 Check Cancellation/Stop Payments

[Accounts Payable](#) works with Rutgers University banking partners to void/reissue or stop payment/reissue disbursed check payments to suppliers that may be lost, missing, or sent to the wrong location. Units can initiate these requests using the Check Cancellation/Stop Payments Form found on the University Procurement Services [Forms Repository](#).

8.4.4 Gift Cards

There are two processes that units can pay for gift cards:

- C) **Store Cards** - If the unit wishes to buy gift cards issued by a particular store, the unit must submit a routine check request with the appropriate documentation. See the [Check Request Matrix](#) for more information.

Necessary documentation is located on the [Accounts Payable page](#), along with a quote from the supplier:

- Questionnaire for the Management of Funds

- D) **Bank Gift Cards** – If the unit wishes to buy standard bank issued gift cards, the unit must submit the following forms found on the Accounts Payable page:

- Bank of America Visa Card Banking Agreement form
- Bill Head form
- Questionnaire for the Management of Funds
- Bank of America Visa Card Receipt form

Completed forms should be emailed to [Banking and Reconciliation](#), unless specified on the form (for human subject payments). University Treasury will request the gift cards which will be mailed directly to the Requestor. In conjunction with University Treasury, Accounts Payable expenses the cost to the UDO via journal entry as indicated on the completed Bill Head form.

8.5 Utilities

Payments for utilities are processed through Accounts Payable. Utilities including electric, water, telephone, cable, and gas can either be processed on a check request or purchase order. Units should review the [Check Request Matrix](#) to determine if they qualify.

8.5.1 Telephone

Some charges for telephones (land or mobile) are centrally invoiced on a monthly basis. Accounts Payable pays those bills out of a general ledger clearing account and then charges to units accordingly. Other related charges can be routinely processed through the check request method. Units should review the [Check Request Matrix](#) to determine the needed supporting documents for payment.

8.5.2 Cable

Cable television or internet charges may be processed on a purchase order or check request. The preferred method is via check request. Units should review the [Check Request Matrix](#) to determine the needed supporting documents for payment.

8.5.3 Electricity

Electric supply charges may be processed on purchase order or check request. The preferred method is via check request. Units should review the [Check Request Matrix](#) to determine the needed supporting documents for payment.

8.5.4 Water

Bottled water must be paid through the purchase order process. Water considered a utility (house/building) can be paid through the check request method. Units should review the [Check Request Matrix](#) to determine the needed supporting documents for payment.

8.6 Direct to Oracle Feeds

The following units that utilize procurement systems outside of RU Marketplace, and initiate invoicing and payment processes without any involvement from University Procurement Services or Accounts Payable. However, these payments are generated in Oracle, therefore payments (commonly traditional paper checks) are produced with payments that go through University Procurement Services.

- Student Accounting, Billing, and Cashiering Services
- University Libraries
- Dining Services
- Grant and Contract Accounting

How it works:

- 1) The units are granted access to a template that is customized specifically for the Oracle direct feed process. Upon completing the template with relevant invoice, supplier, and payment data, the unit uploads it to an SFTP (secure file transfer) server.
- 2) The file is picked up in Oracle and payment is processed. Expenses are charged to units in the [Finance Management](#) module.
- 3) Accounts Payable releases payment from Oracle and produces paper checks or selects electronic payment methods if applicable.
- 4) Paper checks are sent to suppliers with regular check disbursement procedures.



8.7 Taxes

University purchases are not subject to New Jersey sales and use taxes when used for educational and charitable purposes. Certain other states also honor this or have an equivalent rule, thus the unit must determine whether sales or use tax is allowable. The unit can reach out to [Tax Services](#) for more information.

Units can also contact the University Procurement Services [Help Desk](#) for assistance with the relevant required tax forms that a supplier must complete, found in the [Forms Repository](#).

- W-9
- Foreign Visitor Information Sheet for Payment Purposes
- W-8 and IRS Instructions
- Nonresident Alien Tax 8233 and IRS Instructions

References

Campus Instructions

- [Check Request Processing Instructions](#)
- [Submit a Check Request](#)
- [Non-PO Upload Request Form Process Instructions](#)

Process Flowchart

- [Payment Process](#)

University Procurement Services Internal Instructions

- [Check Request Internal Process Instructions](#)
- [Non-PO Upload Processing Internal Instructions](#)

Revisions

Effective Date	Approver	Change Reference	Issue #

STANDARD OPERATING PROCEDURE: 9.0 RECORDS MAINTENANCE

This procedure is in accordance with Procurement and Payment Policy [20.1.11](#).

Introduction

University Procurement Services recognizes the significance of optimal records management, and strives to ensure that any procurement-related record management policy complies with federal, state, and other regulatory guidelines and is compliant with Rutgers' policy [30.4.5 Records Management](#).

These guidelines include:

- Retaining records according to established Records Retention Schedules;
- Maintaining active and inactive records in appropriate storage equipment and locations
- Preserving records of historical significance;
- Protecting sensitive information using secure methods of recordkeeping and disposal;
- Identifying and protecting vital records; and
- Discarding records that are no longer required;

Procedure Outline

9.1 Record Retention

9.2 Open Public Records Act

9.3 Audits

9.4 Special Reports

Definitions

Standard Operational Procedure (SOP): A set of instructions that functionally describes the key procedures.

Procedures

9.1 Record Retention

Records, regardless of the format in which they are created, must be retained for a designated period of time and may only be disposed of in accordance with the approved retention and disposition schedule. This schedule depends on the administrative department. University Procurement Services retains



records for seven years. If international standards apply, records are retained for ten years. This guideline also applies to any procurement-related documents that units may have.

University Procurement Services records are stored at the following location:

[Rutgers University Records Management](#)

Business and Administrative Service

7 Kilmer Road, Edison, NJ

Livingston Campus

Federally funded awards may have longer retention records, depending on the purchase. University Procurement Services (and the unit if applicable) must contact the [Office of Research and Sponsored Programs](#) for those requirements.

University Procurement Services, where applicable, maintains records sufficient to detail the history of procurements. Units should retain similar documentation, where appropriate.

These records include, but are not necessarily limited to the following:

- Rationale for the method of procurement
- Selection of contract type
- Contractor selection or rejection
- Basis for the contract price

9.1.1 Document Destruction

As per the university policy, records can be legally destroyed at the end of their active lives if there are no audit, legal, fiscal, regulatory or historical reasons for the preservation of the records.

Confidential records within University Procurement Services are destroyed via any of the following formats:

- Pulping
- Shredding
- Incineration
- Electronic deletion

9.2 Open Public Records Act (OPRA)

University Procurement Services complies with the State of New Jersey Statue N.J.S.A 47:1A-1, to uphold transparent practices. To access documents within University Procurement Services, an OPRA request should be completed by visiting the [Rutgers University Open Public Records Request Center](#).

When University Procurement Services receives a request for documents from the department of Ethics and Compliance for an Open Public Records Request:

- 1) The Chief Procurement Officer (CPO) and/or the Director of Procurement and Sourcing assigns a confidential aide to research and retrieve all pertinent documents per the written OPRA request.
- 2) Only the information that is requested on the OPRA will be extracted, compiled and provided.
- 3) Once the information is obtained, the confidential aide uploads all the documents into an encrypted system (Gov QA), and advises the Office of Ethics and Compliance.
- 4) The Office of Ethics and Compliance retrieves and reviews the documents to ensure the information provided is accurate. If additional information is needed and/or any question regarding the transmittal arise, the office of Ethics and Compliance contacts the confidential aide.

9.3 Audits

University Procurement Services and the units may be subject to internal and external audits to review documentation related to the procurement transactions, including but not limited to solicitation documents, Waiver of Bid justifications, and contracts to ensure compliance with federal policies and university policies. University Procurement Services has assigned appropriate personnel to ensure that records are in accordance with federal, state and university requirements.

If an audit is required or enacted, the Chief Procurement Officer (CPO) and/or the Director of Procurement and Sourcing will be advised.

The CPO and/or the director will delegate personnel to compile the appropriate information for the auditors and/or give the role of “Auditor” to the auditors in the RU Marketplace system.

9.4 Special Reports

Professional Services Providers

University Procurement Services must provide a report of any Professional Service Provider, with an annual spend of \$150,000 or greater, to the Board of Governors of Rutgers, The State University of New Jersey. The report is presented at the Audit Committee of the Board of Governors meeting during the first part of the new calendar year, typically in January.

The Chief Procurement Officer (CPO) and/or the Director of Procurement and Sourcing compile the list of these providers during the course of each calendar year and submit to Audit and Advisory Services at the end of the year, in December, in preparation for the January meeting.

References

Revisions

Effective Date	Approver	Change Reference	Issue #

STANDARD OPERATING PROCEDURE: **10.0 ETHICAL CONDUCT**

This procedure is in accordance with Procurement and Payment Policy 20.1.11.

Introduction

Care must be taken to avoid the intent and appearance of unethical practice in relationships, actions and communications. All procurement activities conducted on behalf of the university must be in compliance with the standards outlined in federal, state and local laws; university policies; and the University Procurement Services procedures. University Procurement Services may require individuals involved in supplier proposal evaluations, or contract activities, to sign confidentiality agreements and/or conflict of interest disclosures.

Procedure Outline

- 10.1 Confidentiality**
- 10.2 Conflicts of Interest**
- 10.3 Prohibition of Gifts from Suppliers**
- 10.4 Unauthorized Purchases**
- 10.5 Debarred Supplier List**

Definitions

Standard Operational Procedure (SOP): A set of instructions that functionally describes the key procedures.

Procedures

10.1 Confidentiality

In an effort to protect the interest of the university and all the parties involved in the procurement process, it is imperative for employees to understand the sensitivity of the process. University employees must handle confidential or proprietary information with due care and proper consideration. University Procurement Services employees and other Rutgers employees are prohibited from discussing pricing, terms, conditions or quotes given by suppliers except with Rutgers employees involved in the procurement process.

10.2 Conflict of interest

Any employee who believes that they have or have the appearance of a potential purchasing-related conflict of interest should remove themselves from any sourcing activity, including bid evaluations.

University employees should not make purchasing decisions or otherwise influence the university's decisions to do business with any supplier affiliated with the university employee, a relative of the university employee, or any other individual who would be perceived as a potential conflict, including participation in the selection, award, or administration of a contract if he or she has a real or apparent conflict of interest.

10.3 Prohibition of Gifts from Suppliers

University employees should neither solicit nor accept money, loans, credits, entertainment, favors, services or gifts from current or prospective suppliers. Such gifts and gratuities, even if of seemingly low value, can give rise to a conflict of interest or the appearance of a conflict of interest.

University employees should never accept gifts and gratuities from a current or prospective supplier that has submitted or may submit a bid for a university contract for which a bid solicitation is being contemplated, developed or is actively accepting bids. If it is deemed necessary to visit a supplier site for a demonstration, the university pays all related expenses. Please see [Rutgers policy 40.2.12 - Gratuities, Guests, Gifts and Use of University Resources](#).

In the event that University employees receive gift(s) from Suppliers, they should contact University Finance and Administration at 848-932-4300 for further assistance.

10.4 Unauthorized Purchases

Employees should refrain from purchasing goods and/or services, or commit Rutgers to the purchase of goods and/or services without processing the procurement request through an approved University Procurement Services process. Procurements that bypass University Procurement Services may expose the university and the requesting unit to unnecessary legal repercussions. Procurements, unless specifically exempted, will not be processed by University Procurement Services unless good cause is demonstrated. A university employee who makes an unauthorized purchase may have their purchasing responsibilities suspended or revoked. In addition, the employee may face disciplinary action, and may be held personally liable for any charges incurred.

Examples of unauthorized purchases, include, but are not limited to:

10.4.1 Splitting Purchases

Splitting a transaction into smaller dollar amounts, delaying, staggering purchases, and using multiple staff members to purchase the same or related items to avoid competitive bidding, are serious violations. Any transaction found to be in violation of the university's competitive bid requirements may be reported to the Executive Vice President of University Finance and Administration for further action.

10.4.2 Personal Purchases

University funds may not be used for personal purchases for university faculty, staff or students at any time. Similarly, a unit may not place an order for an individual employee or student and then have those individuals reimburse the unit.

10.5 Supplier Debarred List

Rutgers University complies with Federal regulations that prohibit transacting or making payments to suppliers that are debarred or appear on a prohibited list maintained by the [U.S. Federal Contractor Registration](#), or other federal agency. This applies to all procurement and disbursement transactions including but not limited to suppliers, individuals, external/independent contractors or consultants, professional services providers, entertainers, performers, one-time lecture fees and construction related goods and services.

No contract, agreement, purchase order, or payment by the University is allowed at any time to debarred suppliers or parties. Units should not initiate a request for contract, agreement, purchase order or payment to these suppliers or parties. University Procurement Services will cancel any contracts, agreements, or purchase orders inadvertently issued, and will return unprocessed any invoices submitted for payment.

If any current suppliers appear on the denied parties/debarred list, the following steps will be taken by University Procurement Services:

- 1) Deactivation of the supplier in RU Marketplace/Oracle.
- 2) Notification to [University Ethics and Compliance](#).
- 3) Location of any open transactions with the supplier and notification to the unit responsible for the transaction.
- 4) Closure of any open transactions subject to the terms of any existing contracts.

References

Revisions

Effective Date	Approver	Change Reference	Issue #

STANDARD OPERATING PROCEDURE: 11.0 TRAVEL AND EXPENSE MANAGEMENT

This procedure is in accordance with the Travel and Business Expense Policy [40.4.1](#).

Introduction

Rutgers University is a research institution where faculty, staff and students are engaged in research and teaching activities, study abroad, internships, service and more. The Rutgers procedures for business travel and expense enables the university to effectively comply with federal and state regulations and apply to reimbursements from all university funding sources.

Rutgers University travelers, approvers, deans, directors, unit heads and other staff must be aware of roles and responsibilities when submitting and approving travel and business-related expenses. The University will reimburse employees for reasonable, necessary, appropriate, and approved travel and business expenses incurred while conducting University business. Employees are required to follow Rutgers' policy for domestic and international travel and expense management and should familiarize themselves with the [Travel and Business Expense Management policy 40.4.1](#).

Reimbursement requests must be submitted within 60 days of either the incurrence of expenses or the return from travel. Reports with expenses beyond the 60-day limit require a second higher level of approval by an Exception Approver (either memo or email), which must be attached to the report prior to submission. Exception Approvers are unit-specific.

Note: Units **must** request all reimbursements of student and guest travel and business expenses through the [check request process](#) in RU Marketplace.

For training and additional resources on Travel and Expense Management, please visit University Procurement Services' [Training and Resources](#).

Procedure Outline

- 11.1 Expense Report Allowance
- 11.2 Guidelines by Expense Type
- 11.3 Access to the Oracle Expense Management System
- 11.4 Reimbursement Set-up
- 11.5 Expense Report Creation
- 11.6 Finance Approver
- 11.7 Expense Report Approval
- 11.8 Expense Report Audit
- 11.9 International Travel Procedure

Definitions

Appropriate: Means that the expenditure is consistent with objectives of the program, project or task. Appropriate also means that the expenditure is allowable under the terms and conditions of the underlying funding source and/or policies.

Approver: An individual with the responsibility to review purchases for reasonableness, necessity, and appropriateness to allow reimbursement. The traveler's Business Manager or designee who does not report to the traveler/requester must approve all travel-related business expenses. The approver is expected to determine if a charge is reasonable, appropriate, and necessary. The approver also is responsible to ensure that the correct accounts have been used and sufficient funds are available to cover the total expenses. Under no circumstances may an individual approve his or her own expense report. The traveler's Business Manager or designee who does not report to the traveler must approve the expense report.

Approved by: Approving expenses signifies that the proper authorized person (generally the traveler's Business Manager or designee) has reviewed travel expenses and the supporting documentation for fund approval and appropriateness of the travel and that these expenses are in compliance with all university policies and all pertinent federal, state and sponsoring agency policies. Travel and business expenses incurred on grants, contracts, sponsored programs, or restricted funds must comply with university policy and any specific expenditure policy of the funding source, if more restrictive than university policy.

Business Expense: Reasonable, appropriate, and necessary travel and business related expense(s) that are incurred while carrying out university business.

Conference: A conference is a formal scheduled meeting of a recognized organization in which the university or department has an active area of interest.

Department and/or Unit Head: The person in charge of a subdivision of a particular school or unit that has its own structured budget.

Employee: This constitutes any full- or part-time employee of Rutgers University.

Expense Report: The form which is used to account for travel and other business expenses. Expense reports are subject to review by internal auditors, external auditors (including state and federal grant agencies), and the IRS.

Legitimate Travel-Related Incidentals: Small dollar purchases that occur and are required for successful completion of the business trip. Examples of appropriate travel-related incidentals are: books, office and teaching supplies.

Necessary: This means that the expenditure is required to achieve the expected goals or outcomes of the program, project or task.



Proof of Payment: Documentation (e.g., receipt, credit card charge slip, hotel folio) that indicates that the individual has settled the bill in full with the service provider.

Prudent: Wise in practical matters, careful for one's own interests.

Reasonable: The cost of the good or service is not excessive.

Receipt: An original document itemizing the good(s) or service(s) purchased. The receipt must provide a named payee and date that confirms payment has been made for a stated purchase. If the receipt is lost, the individual seeking reimbursement must complete the Lost Receipt Certificate Form from the Travel Policies and Forms area of the University Procurement Services website.

Standard Operational Procedure (SOP): A set of instructions that functionally describes the key procedures.

Supervisor: A person to whom the faculty or staff member reports.

Travel Advance: When a traveler requests university funds in advance to pay for upcoming travel-related expenses. Also known as a Cash Advance.

Travel Order: A form that must be completed and approved any time the direct billing option is used to purchase air or rail tickets through the university's preferred travel agencies.

Travel Status: When an employee travels more than 100 miles from his or her place of residence or official work site to perform official university business.

Traveler: Any person who incurs travel expenses on official university business and is entitled to reimbursement of those expenses.

Trip: Travel from an individual's work site for a duration of at least 12 hours for a specific business purpose, such as, attending a conference, providing a paper, or conducting research. An individual can take several consecutive trips while on travel status. Each trip can be reported on a separate expense report or on one expense report with each trip clearly indicated.

Work Site: This is the official university payroll location to which the employee reports every day.

Procedures

11.1 Expense Reimbursement Allowance

Rutgers reimburses for necessary and reasonable travel expenses such as airfare, car rental, train travel, personal car, hotel reservations, per diem meals, international travel, and business hosting.



Reimbursement is also permitted for necessary and reasonable travel and business expenses of prospective faculty, staff, officers, visitors and students under certain conditions. Other business-related expenses might include books or office supplies not available through a university contract, or internet connectivity while traveling. Units should check with [University Procurement Services](#) to determine if the needed good or service is on a university contract. All expenses should follow the [Procurement and Payment Policy 20.1.11](#).

Reimbursement of business and/or travel expenses from Rutgers is only permitted when reimbursement has not been and will not be received from any other source. In conformance with Internal Revenue Service (IRS) regulations, expenses reimbursed and later found not to be in compliance with University policy must be refunded to the University.

In most cases, the traveler makes all purchases with personal funds and submits an expense report to obtain a reimbursement. Request for expense reimbursement must not be submitted until after the travel has occurred or the business expense has been incurred. Under no circumstances may an individual approve his or her own expense report.

11.1.1 Expense Submission for Rutgers Employees

Travel and business expense reimbursement for employees may be requested by submitting an expense report through Oracle Expense (see Access to Oracle Expense Management below).

11.1.2 Expense Submission for Non-Rutgers Employees

Units **must** request all reimbursements of student and guest travel and business expenses through the [check request process](#) in RU Marketplace.

11.2 Guidelines by Expense Type

11.2.1 Commercial Airfare

Travel by chartered or private aircraft is prohibited without prior authorization from the Office of Risk Management and Insurance.

Travelers can purchase commercial airline tickets by either:

- a) Through a university preferred travel agency using the [direct billing option](#);
- b) Through the internet using personal funds; or
- c) With the airline company directly using personal funds



Rutgers will reimburse a traveler for reasonable and appropriate baggage fees. Flights booked using personal airline Frequent Flyer miles are not reimbursable.

Travelers must include supporting documentation to receive reimbursement for airfare, as follows:

- A receipt or detailed itinerary that includes all departure/arrival time and location, flight numbers, class of service, fare basis, ticket or confirmation number, and cost of ticket;
- Proof of payment (credit card statement alone is not sufficient); and
- Boarding passes should be included when possible

If out of policy exceptions are required due to unforeseen or unique circumstances, the [Travel Policy Exception Request form](#) should be completed. This form must be approved prior to booking any air reservation in business class. The approvals will be determined on a case by case basis. The approved form must be attached to the traveler's expense report.

Travelers should be mindful to keep costs low whenever possible. Tickets should be purchased at least 14-21 days in advance of travel. However, due to the cancellation penalties imposed by airlines, travelers should try to balance the need for savings generated by advance purchase with the knowledge that travel arrangements cannot be changed without significant penalty.

When a more favorable price can be obtained for airfare by adding additional days to the trip, reasonable expenses for lodging and meals for the minimum necessary additional days may be reimbursed but the total cost of the reduced fare plus the additional days' expenses must be lower than the lowest available airfare without the additional days of travel. Proof of the ticket fares must be included with the expense report to show the lower cost.

If a traveler chooses to drive rather than fly to the destination, mileage reimbursement and lodging cannot exceed the lowest cost of a commercial coach airfare. Travelers should include an airfare quote with supporting documentation. Meals or lodging will not be reimbursed while driving to the destination.

11.2.1.1 Upgrades

Travelers have the option to upgrade to business or first class by paying the difference with personal funds or by obtaining written approval from chancellor level prior to the trip. Upgrade from economy to premium economy requires written approval prior to the trip from the unit head. Proof of the coach class ticket cost and the upgraded ticket cost along with the written pre-approval must be included with the expense report to show the cost differences. Trips that extend beyond business purpose must provide a comparable cost estimate of the travel costs at the time of booking for the exact business days to ensure no additional cost is incurred.

11.2.1.2 Direct Billing Option

Direct billing is an option for units to charge airfare or rail tickets directly to their university accounts only when booked through Rutgers' preferred travel agencies. Travelers must complete a Travel Order Form, which can be found on the Procurement website under the [Direct Billing Option](#).

11.2.2 Bus/Rail Fares

Travelers can purchase rail tickets:

- a) Through a university preferred travel agency using the [direct billing option](#);
- b) Through the internet using personal funds; or
- c) With the bus or rail company directly using personal funds

Rutgers will reimburse travelers for reasonable and appropriate baggage fees.

Travelers must include supporting documentation to receive reimbursement for bus or rail travel, as follows:

- A receipt or detailed itinerary that includes all times of departure, class of service, fare basis, ticket or confirmation number, and cost of ticket;
- Proof of payment (credit card statement alone is not sufficient); and
- Boarding passes should be included when possible

A ticket stub showing the bus or rail fare or a detailed receipt showing the fare must be submitted with the expense report.

If out of policy exceptions are required due to unforeseen or unique circumstances, the [Travel Policy Exception Request form](#) should be completed. This form must be approved prior to booking any upgrades to Acela or a class of service on Amtrak other than coach. The approvals will be determined on a case by case basis. The approved form must be attached to the traveler's expense report.

11.2.2.1 Direct Billing Option

Direct billing is an option for units to charge airfare or rail tickets directly to their university accounts only when booked through Rutgers' preferred travel agencies. Travelers must complete a Travel Order Form, which can be found on the Procurement website under the [Direct Billing Option](#).

11.2.3 Lodging Reimbursement

It is the university policy to reimburse lodging expenses for business-related travel for the Rutgers traveler only. There are no hotel per diem rates. Lodging is reimbursed at 100 percent of the actual expense for a standard hotel room plus tax.

Any additional costs that result from family/companion travel or additional days are the responsibility of the traveler.

The expense report must include an original hotel receipt that details the:

- Rate;
- Date of stay, and;
- Proof of Payment

For international hotel stays, only a single occupancy rate is reimbursable.

11.2.3.1 Conference-Related Lodging

If travelers are attending a conference or other business-related event, it is advised to stay at the conference designated hotels. If the conference hotel is not chosen, reimbursement will not exceed the conference hotel rate without justification and approval from the unit head. An explanation of the exceptions must be included in the reimbursement request and attached to the expense report.

11.2.3.2 Private Residence Stays (U.S.)

If the traveler stays at a private residence (non-hotel), the landlord of the property must provide the traveler with a W-9 in order for the traveler to be reimbursed.

11.2.3.3. Private Residence Stays (international)

If a traveler stays at a private residence (non-hotel) outside of the U.S., a W-8 BEN should be provided whenever possible. Forms can be found at [University Tax Department](#).

11.2.4 Conferences and Hotel Reservations

Travelers may request a university check via a [check request](#) in RU Marketplace (see 8.0 Payments) to pay for conference registrations and hotel reservation deposits. In the event that a credit is received, the traveler is responsible to obtain a check made out to Rutgers or have the credit applied to their bill. The credited amount should be noted on the expense report as part of the trip reconciliation process.

11.2.5 Car Rental

Reimbursement for car rental is limited up to intermediate size classifications for individual travelers. Larger size vehicles or vans (no larger than 12 passenger) are allowed for groups of three or more travelers. Additional passengers must be listed in the Description fields of the expense report. Reimbursement will normally be made only to the traveler who signed the rental contract; however, reimbursement can be made to individuals that are sharing the cost of the rental car. **All authorized drivers must be listed on the car rental contract.**

In order to request reimbursement, travelers must include:

- The business justification;
- The rental agreement, and;
- The original final receipt

If a traveler chooses to drive rather than fly to the destination, car rental fees plus fuel cannot exceed the lowest cost of a commercial coach airfare. Travelers should include an airfare quote with supporting documentation. Meals or lodging will not be reimbursed while driving to the destination.

Tolls and parking fees are reimbursable with original receipts.

To book car rental with one of the contracted suppliers, visit [University Procurement Services Travel website](#).

Individual travelers requiring out of policy exceptions are required due to unforeseen or unique circumstances, the [Travel Policy Exception Request form](#) should be completed. This form must be approved prior to booking any vehicle larger in size than intermediate. The approvals will be determined on a case by case basis. The approved form must be attached to the traveler's expense report.

11.2.5.1 Domestic Rentals

The University-contracted car rental suppliers include the required insurances in the rental rate on domestic rentals. For car rental with non-contracted suppliers, travelers must purchase LDW/Liability Coverage.

11.2.5.2 International Rentals

For international car rentals, all insurance coverage must be purchased (e.g. Loss Damage Waiver (LDW), Personal Accident Insurance (PAI), and Liability Insurance Supplement (LIS)). For the minimum renting age with a valid driver's license, visit the [University Procurement Services Travel website](#).

11.2.6 Personal Vehicle Travel

Rutgers will reimburse a traveler who uses a personal car for Rutgers business purposes at the current authorized mileage rate. Gasoline for a personal vehicle is not reimbursable; mileage reimbursement rate covers this cost. Gasoline expenses are only reimbursable for rental or university-owned vehicles.

If a traveler chooses to drive rather than fly to the destination, mileage reimbursement cannot exceed the lowest cost of a commercial coach airfare. Travelers should include an airfare quote prior to the trip start date with supporting documentation. Meals or lodging will not be reimbursed while driving to the destination.

Tolls and parking fees are reimbursable with original receipts.

The expense report must include:

- Specific origination and destination locations (use [Google Maps](#) or [MapQuest](#)) and distance; and
- A detailed business purpose;

The current mileage reimbursement rate, listed on the [University Procurement Services, Reporting Travel Expenses](#), is intended to cover all operating costs including depreciation, repairs, gas, insurance, towage, etc.

11.2.7 Ground Transportation

Reimbursement may be requested for ground transportation from the traveler's home, or from their work site to the airport, bus, or train station. Before using either taxi, alternative ride-share or car service, the traveler should determine that it is more economical and reasonable compared to personal car usage, adding in tolls and parking. If a car service will be used, the traveler should contact the [University's contracted car service suppliers](#).

11.2.8 Meal Expenses

Rutgers reimburses meals when travelers are in active travel status. Travel status is defined as traveling:

- For a period of at least 12 consecutive hours, or
- At least 100 miles from the Rutgers departure point.

When a traveler is not in travel status, meals are considered a personal expense and are not reimbursable.

Travelers have three meal reimbursement options. Travelers must select one option for the entire trip in order to receive reimbursement.



- a) Rutgers per diem rate of \$50 for all cities (domestic or foreign)
- b) IRS per diem rates as described on the University Procurement Services Reporting Travel Expenses website.

The per diem must be reduced by the percentage below to prorate for provided meal(s) included with a hotel rate or at a meeting or conference:

<u>Meal</u>	<u>% of meal per diem rate</u>
Breakfast	20%
Lunch	20%
Dinner	60%

The per diem rate must be prorated for the date of departure and date of return at 75% of the per diem rate.

When the trip includes more than one location and the cities involved have different per diem rates, the rate for each day (beginning at 12:01 am) is the rate for the location where the traveler obtained lodging that night.

11.2.9 Business Meals

Business meals are meals with a clearly substantiated business purpose and are directly associated with University business. At a business meal, the business discussion is the primary purpose of the meal.

Business meals should adhere to the following rules:

- Acceptable reasons for business meals include meals with a guest speaker, lecturer or prospective faculty, staff or students. These meals should be limited in terms of number of attendees and the total cost should be reasonable and prudent. If alcohol is included in the meal, the restricted fund source must allow for reimbursement.
- Business meals while not in travel status with other Rutgers colleagues in local restaurants are generally not reimbursable. Local meals with colleagues should be considered a personal expense.
- Business meal expenses include food, beverages, catering services and banquet facilities. Payments to a caterer, facility or transportation of food should be processed using a university purchase order whenever possible.

11.2.10 Cash Advances

A cash advance is an advance of payment to cover work-related expenses, such as lodging, meals, and incidentals when needed. Cash advance requests are created **before** expenses have been incurred, and are submitted for approval within Oracle Expense. Delegates **cannot** request a cash advance on behalf of someone else.

- Cash advances for transportation can be requested up to 90 days prior to the departure date
- Cash advances will be paid out two weeks before the trip begin date
- Cash advances will automatically be deducted on the first expense report submitted five (5) days after the trip return date
- Cash advances of more than \$100 per day for meals and incidentals require a justification letter to be submitted along with the Cash Advance Request
- Cash advances for completed trips must be settled before subsequent advances will be issued

To request a cash advance, travelers should:

- 1) Navigate to the [Oracle Expense Management system](#).
- 2) Click the “Request Cash Advance” link from the Action menu on the right.
- 3) Enter the required fields, add attachments and click “Submit” for cash advance approval.

11.3.11 Passports and Visas

Fees related to visas are reimbursable when:

- Required by the country the traveler is visiting on Rutgers business-related travel
- Required by the U.S. or foreign country as a result of Rutgers employment or work assignment location

Reimbursements for fees related to passports are allowable when they are a specific and necessary condition of fulfilling a work assignment on behalf of Rutgers University.

Travelers should access the visa and passport provider the University is [CIBTvisas](#), using the Rutgers account. Travelers should access the Passport and visa requirements at [Travel.State.Gov](#).

11.3.12 Business Expenses

Requests for reimbursement of other expenses (e.g., the rental of meeting rooms, storage space, or the purchase of special transportation) must be accompanied by a detailed explanation. Prior approval must be obtained from the traveler's dean, director or department head whenever possible.

11.3 Access to the Oracle Expense Management System

The Oracle Expense Management system offers Rutgers employees a quick and efficient way to enter and manage expense reports and cash advance requests. Only Rutgers employees may submit expenses via Oracle. Non-employees, including students and visitors, do not have access to Oracle Expense Management. Units must submit all non-employee expenses via a [check request](#) on the traveler's behalf.

Employees can:

- Attach scanned/electronic receipts to expense items and reports
- Submit expense reports for electronic approval
- Monitor approval and reimbursement status

To enter an expense report for reimbursement, there are two ways that employees can access the Oracle Expense Management system:

- 1) Go to my.rutgers.edu, log in with the appropriate NetID and password and choose the **Expense Management** icon.
- 2) Via the Oracle Home Page or using the Navigator icon, Go to:
About Me ---> Expenses.

11.4 Reimbursement Set Up

In order for employees to be reimbursed for expenses via direct deposit, banking information must be set up in Oracle Expense Management prior to entering any expense report. This is a one-time set up (unless the employee's banking information changes), and is completely secure, and not visible to other users of the system. See [Expense Management Setup Instructions](#).

To enter banking information, employees should go to the [Oracle Expense Management System](#) and do the following:

- 1) Go to *Manage Bank Accounts*.
- 2) Enter information with an (*) plus the Bank and Branch. Do not choose Account Type "Money Market".
- 3) Save and close.

11.5 Expense Report Creation

An Expense Report is an electronic form within Oracle Expense that employees complete to submit travel and business related expenses for reimbursement. Expense reports are created after expenses have been incurred. See [Submitting an Expense Report Instructions](#).

Reimbursement requests must be submitted within 60 days of either the incurrence of expenses or the return from travel. For any expense reports beyond the 60-day time period, both the Approver and the second-level Approver (Exception Approver) must approve. Expense reports submitted beyond one year after the date(s) of travel will not be reimbursed without chancellor-level approval.

To create an expense report, employees should access the [Oracle Expense Management system](#).

The Five “Ws” (Why, Who, What, When and Where) should be entered in the business purpose field for each expense line on an expense report. A clear business purpose description should contain all information necessary to substantiate the expenditure including a list of attendees and the purpose for attending, business topics, and the benefit to the University. Documentation and back-up for all expenses must be included in the expense report even if said expense has already been paid.

11.5.1 Selection of Delegate

A delegate is person who can enter and submit an expense report on behalf of someone else. The delegate must be set up by the employee in the system prior to initiating an expense report. A delegate cannot submit a cash advance.

To set up a delegate, the employee should:

- 1) Navigate to the [Oracle Expense Management system](#) and go to **Manage Delegates**.
- 2) Enter the required fields.
- 3) Click OK, save and close.

11.6 Finance Approver

The Finance Approver is the Rutgers employee responsible for approving expense reports, cash advances, and other transactions that require approval. Each employee has a single Approver for all transactions that require approval. Employees cannot choose their Approver; it is assigned to them. If expenses don't meet approval guidelines, the Approver may deny the expense. Approval responsibility should be assigned to an individual who can judge whether the expenditure is both appropriate and reasonable for university business.

The Approver is the “check” in the expense reporting process to identify potential or actual errors in expense reporting and is equally accountable for all expenditures. By approving travel and other expenses, the Approver is attesting that each transaction (and its supporting documentation) has been reviewed and is an allowable expense.

The Approver must ensure:

- The correct funding sources are charged;
- The purchase is in keeping with proper fiscal stewardship;
- Each expense is consistent with departmental budgetary and project/grant guidelines; and
- The proper document is provided;

If necessary, a unit's Approver can be changed by completing and submitting a Finance Approver form. The form can be found in the Forms Repository in uco.rutgers.edu.

11.7 Expense Report Approval

There are two types of expense report approvals:

- A) **Non-Project Expense Reports** - A non-project expense report is an expense report that is not charged to a project and is not grant related. This report is routed to the Approver for approval.
- B) **Project Expense Reports** – A project expense report is an expense report that is charged to a project and is typically associated with a grant. This report is routed to the Project Manager for the first-level approval and to the Approver for second-level approval.

The Approver will receive a notification, via email and in the Oracle system to approve expense reports, which will include a list of all expense items and attachments with the report. After the expense report is fully approved, reimbursement will follow. See [Expense Report Approver Action Instructions](#).

11.8 Expense Report Audit

An expense report audit may be conducted at any time and will be conducted when there is a possibility of non-compliance with university travel policy(s).

There are two types of expense report audits:

- A) **Policy Violation Audit:** The Oracle expense management system will automatically route expense reports for audit and will identify potential policy violations.

Reasons for this may include:

- Missing receipts, back up or justification;
- Expenses greater than 60 days old; and
- Incorrectly completed report

If an expense report is out of compliance for any reason noted above, the report will be returned to the Approver for discussion with the employee. The Approver should then return the report to the employee/delegate for corrections, edits/modifications and resubmission of the report.

NOTE: Changes to an expense report can only be done by the employee or their delegate. Approvers cannot make any changes or add any attachments.

- B) **Random Selected Audit:** Expense reports may be randomly selected for audit by the Oracle system. The auditor will review the expense report to determine what, if any, issues need review/resolution.

If the auditor notes no issues with the expense report, the report will continue through the reimbursement process. If the auditor does find an issue, the report will be returned to the Approver for discussion with the employee who will need to withdraw the report and make the necessary corrections.

11.9 International Travel Procedures

All Rutgers faculty, staff and students who are traveling outside the United States on Rutgers business are required to register **prior to booking** with [Risk Management](#). Travelers must register separately for each international trip they make. For student groups not traveling as part of Rutgers Global Study Abroad, travel registration for the group is the responsibility of the group leader.

11.9.1 International SOS Emergency Travel Assistance Plan

Upon completion of international travel registration, international travelers will be automatically eligible for International SOS, an emergency travel assistance plan. Membership in International SOS is provided at no charge to faculty, staff, and students while undertaking official Rutgers travel. International SOS may also cover incidental personal travel in conjunction with official travel.

The International SOS Emergency Travel Assistance Plan provides international travel assistance and service, including:

- Medical assistance services (with enrollment in International Medical Health Insurance) access, referrals, treatment and case management
- Security assistance services: disaster/crisis centers, political evacuations, medical evacuations
- Travel assistance services: travel security reports, lost cash/documents

The International SOS ID card is available online to print after completion of the international travel registration. To obtain the Rutgers membership number and an International SOS ID card, travelers should contact the [Department of Risk Management and Insurance website](#).

The International SOS ID card can be utilized to access the International SOS services abroad. It is highly recommended that traveling faculty, staff, and students become familiar with the International SOS services and website prior to their departure. Faculty and staff interested in using international travel insurance for personal travel should visit [International SOS](#) for more information.

11.9.2 Enrollment in International Travel Health Insurance

Since accessing medical and emergency assistance can be difficult and expensive while traveling abroad, Rutgers recommends that its international travelers purchase International Travel Health



Insurance. **Enrollment in International Travel Health Insurance is mandatory for all students traveling abroad.**

To enroll, travelers must complete the Enrollment Template Form available on the [Risk Management website](#) and follow the instructions for completing the form and remitting the payment, (by unit journal entry transfer or by check), preferably at least two weeks prior to travel.

Risk Management will advise units/travelers of the cost. Travelers should seek guidance from their unit liaison regarding payment responsibility. Payment may be made by unit journal entry transfer or by check. Checks should be made payable to Rutgers, The State University of New Jersey.

Units/travelers should mail the checks to:

Department of Risk Management and Insurance
Rutgers, The State University of New Jersey
33 Knightsbridge Road, Suite F110
Piscataway, NJ 08854

*****NOTE:** Please note that for faculty and staff traveling abroad, the International Travel Health Insurance is intended to supplement and NOT replace their Group Health insurance provided by Health Benefits Plan (SHBP).

References

Campus Instructions

- [Expense Management Setup Instructions](#)
- [Submitting an Expense Report Instructions](#)
- [Expense Report Approver Action Instructions](#)
- [Travel Policy Exception Request](#)

Process Flowchart

- [Expense Management](#)

Revisions

Effective Date	Approver	Change Reference	Issue #