



UNIVERSITY PROCUREMENT SERVICES PROCEDURES MANUAL



University Procurement Services (UPS) is a unit within [University Finance and Administration](#) that manages a diverse selection of goods and services used by Rutgers University. UPS establishes and supports all supplier relationships and associated processes for the university, from sourcing, contracting, ordering, invoicing and payments. UPS also manages Rutgers's purchasing card program and travel and expense policy and processes.

UPS is committed to conducting all related business and initiatives in an ethical and sustainable manner.

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

Procedures Manual topics include:

- Source-to-Pay/Oracle Expense Management Systems
- Supplier Management
- Sourcing
- Contract Management
- 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 SOURCE-TO-PAY/ORACLE EXPENSE MANAGEMENT SYSTEMS

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

Introduction

UPS is the primary point of contact for all source-to-pay, procurement card (PCard), and travel and expense activities. UPS manages and supports source-to-pay and expense tools, standards, policies and procedures for faculty, staff, and students who are conducting University business.

Depending on the type of transaction to be completed, Rutgers University utilizes multiple systems for to manage the payment process. Those system include ACH, Concur, Convera, e-Payables, Paymode-X, PaymentWorks, RU Marketplace, and Oracle Expense.

For training and additional resources, please visit UPS' [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

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. More information is referenced in [8.0 Payments](#).

Concur ([Rutgers Travel Online Booking Tool](#)) – system used by employees to book airfare, car rental, and train services. More information is referenced in [11.0 Travel and Expense Management](#).

Convera – wire payment system used to pay international suppliers. More information is referenced in [8.0 Payments](#).

E-Payables (Bank of America): External suppliers may elect to receive payment through the Bank of America E-Payables program, in which funds are deposited to the supplier's virtual credit card that is assigned to the supplier through the program. E-Payables is the preferred method of payment where suppliers have quick access to funds in a secure environment. More information is referenced in [8.0 Payments](#).



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. Oracle

PaymentWorks: Self-service supplier data portal for new supplier onboarding and existing supplier maintenance. More information is referenced in [2.0 Supplier Management](#).

Paymode-X: External suppliers electing to participate in Bank of America's PayMode network receive ACH direct deposits through Paymode-X into the bank accounts designated in the profile maintained by the Paymode-X network. For suppliers, Paymode-X is the second preferred method of payment managed by Bottomline / Bank of America. Banking information is not maintained at Rutgers. This method is only available for companies and LLCs. More information is referenced in [8.0 Payments](#).

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 source-to-pay process (sourcing, contract management, supplier management, requisitions and ordering, accounts payable).

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

Procedures

1.1 Accessing RU Marketplace

RU Marketplace is the university-wide e-Procurement system used for procuring and paying for goods and services. User access is dependent on their RU Marketplace role. Users may have multiple roles.

Approved personnel must access RU Marketplace through the myRutgers Portal. Permission and approval to use RU Marketplace to shop and perform source-to-pay activities is at the discretion of a user's supervisor/manager.

First time users can access RU Marketplace by clicking on the RU Marketplace tile under Finance and Administration. The unit business manager must be contacted for additional roles or a change request.

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

- **Shopper** – the default role that all end users have initially, unless more roles are given. The Shopper has the ability to browse catalogs, add items to a shopping cart and assign the cart to a Requisitioner. Shopper cannot create requisitions.
- **Inquirer** – the role assigned to individuals who need to be able to view purchasing requisitions and invoices in RU Marketplace. An Inquirer cannot submit or approve a requisition or approve an invoice.

- **Requisitioner** – the role assigned to individuals who have the responsibility for submitting requisitions in RU Marketplace. The Requisitioner needs to have the knowledge of the Chart of Accounts that must be input as the funding source for a requisition. A unit’s administrator or other administrative staff member is often a Requisitioner.
- **Approver** – the role assigned to individuals responsible for approving a unit’s purchasing requisition based on budget and policy. An Approver cannot approve their own requisition. 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.
- **IPO Invoice Processor** – the role assigned to individuals responsible for approving a unit’s Internal Purchase Order (IPO) requisition. Individuals with this role cannot approve their own requisition. The approval hierarchy is driven by the IPO specified in the requisition.

1.2 RU Marketplace Training

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

When a new role is requested by a business manager, an email invitation is sent to the user, specific to their role in Marketplace.

To obtain a complete listing of available online training materials, that include PDF presentations, PDF job aids, and videos, users should visit the [University Procurement Services training page](#). To gain access to Canvas for specific Procurement modules, contact the [Help Desk](#).

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 can have different roles when using the Expense module:

- **Employee** – the default role for all employees in the Rutgers Human Resource System. The role assigned to a user authorized to create and submit expense reports, manage direct deposit bank accounts, manage delegates, and request cash advances.
- **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 and approving expense reports to ensure policies are being followed and proper documentation is attached.

The approver:

- Must have authorization over the account being charged
 - Must not be the individual seeking reimbursement
 - is typically the traveler's direct supervisor or the Business Manager
 - should not be asked to approve the travel or entertainment expenses for their supervisor
 - can only approve those expense reports within their authority
- **Re-assignee Approver** – the role to individuals authorized by the expense approver to review and approve expense reports reassigned to them.
 - **Auditor** - the role assigned to individuals within UPS who can perform audits on expense reports.

1.4 Oracle Expense Training

UPS offers [training and resources](#) to users on Oracle Expense system functionality and processes, and procedures related to expense reports and approval. This training includes a complete listing of available online training materials, that include PDF presentations, PDF job aids, and videos.

To gain access to Canvas for specific Procurement modules, contact the [Help Desk](#).

References

Revisions

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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. UPS 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 UPS 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.

Ownership Declaration Form: A form required to be submitted by all suppliers performing work with RBHS or other Rutgers units that may be Medicare reimbursable.

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.

PaymentWorks: Self-service supplier data portal for new supplier onboarding and existing supplier maintenance.

Procurement Approver: Approver within UPS who will perform a general screen and review of invitation requests for a new Supplier or review any updates of a current supplier.

RU Marketplace: 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 unit that processes all procurement transactions including requisitions and invoices, facilitates the formal bid process, and negotiates and manages contracts.

W-8 Form - The IRS 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 -The IRS form which certifies a domestic taxpayers identification number. 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, units should first research and attempt to use contracted suppliers and suppliers already in RU Marketplace to meet their needs, before seeking to enter an additional supplier to the system. If no existing suppliers can provide the good or service, the new supplier must go through an approval process by UPS within PaymentWorks. [PaymentWorks](#) is a self-service supplier information management system that streamlines the supplier experience and offers visibility into all activities associated with a supplier.

If the supplier is already established in RU Marketplace, the supplier has been approved. If not, the supplier must go through PaymentWorks. A supplier must be set up regardless of their tax classification per IRS W-9 or W-8 form(s). Payees whose transactions are eligible for [Non-PO Uploads](#) are not required to register.

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.

Required new supplier set-up information and documents – If there is no supplier record in our data base, follow the steps to send an invitation to the supplier to join PaymentWorks.

Setting up a new supplier occurs in a few steps (see [PaymentWorks Training Videos](#)):

- a) The unit searches for the supplier via PaymentWorks (to ensure they are not in the system).
- b) The unit, known as the “initiator” completes the invitation information that includes:
 - Supplier name
 - A valid supplier email address
 - Initiator phone number
 - Good or service provided
 - Selection of company or individual
 - Personalized message (optional) – for the supplier
 - PO or check request supplier
- c) The invitation is routed to UPS to approve or reject the invitation.

- 1) **Criteria for supplier invitation approval** – Supplier invitations to PaymentWorks are approved by UPS using the following considerations:
 - a) Does the supplier offer a good or service that cannot be purchased from a [University-Contracted Supplier](#)? If there is a university contracted supplier, that new supplier request will not be approved unless the following exceptions are met:
 - Certified diversity attribute
 - Supports University Buy Local Initiatives
 - Specified by the grant
 - b) Is the supplier an employee? Employees will not be approved.
 - c) Is the supplier a student? Students should be processed through the [Non-PO Upload Process](#).

- 2) **Supplier documentation** – Once an invitation is approved by UPS, potential suppliers are required to submit the following documentation in order to formally register with PaymentWorks:
 - Name as it appears on the W-9 (or W-8 if foreign)
 - Address
 - Email address
 - Tax ID/SSN number
 - Phone number
 - Signed W-9 (US entity) or W-8 (foreign entity)

Any missing information will result in a supplier registration to be placed on hold.

- 3) **New supplier screening and entry** - Once the potential supplier submits their completed registration, PaymentWorks performs a general screening to include:
 - Confirm the validity of the tax identification number
 - Confirm that the supplier is not on the debarred supplier list (See [SAM.gov](#))
 - Confirm supplier's address is valid
 - Confirm the supplier record does not already exist in our supplier database

Once the PaymentWorks screening is complete, UPS will also perform screening that includes:

- Confirming the supplier is not a current employee or student of Rutgers
- Address the issues that PaymentWorks has identified

Once the screening process is complete and no issues are discovered, the supplier record will be added to Oracle. If an issue is discovered, employees/students, or a supplier appears on the debarred list, a member of the UPS will contact the supplier/requester.

2.2 Supplier Record Maintenance

From time to time, updates to a supplier record will be required. For all suppliers not onboarded in PaymentWorks, units should invite that supplier via a PaymentWorks invitation (see [2.1 New Supplier Request Process](#)) so that the supplier goes through a sanctions check. The old record will be de-activated once the registration has been approved and entered. Any updates to a supplier's information going forward should be made by the supplier directly via PaymentWorks.

Typical changes include:

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

For suppliers already in the system but who require a change, they will submit the change in the PaymentWorks portal directly. The change request will be reviewed and either approved or rejected.

The Supplier Maintenance team also performs other regular maintenance activities. Periodically, the team will deactivate suppliers who have not had activity for at least 18 months. Any reactivation would require these suppliers to be re-register in PaymentWorks.

2.3 Prospective Diverse Suppliers

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

- Complete and submit a [Supplier Registration Form](#) on the UPS 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.

UPS 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. UPS 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 UPS:

- 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, UPS 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% 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 UPS 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, UPS 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, UPS:

- 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, UPS:

- 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

UPS monitors selected major contracts to ensure compliance to all pricing, terms and conditions. In addition, UPS 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)

UPS 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

PaymentWorks

[Supplier Onboarding System](#)

Campus Instructions (via Canvas)

[Supplier Maintenance Request Process Instructions](#)

Process Flowchart (via Canvas)

[Supplier Management Process](#)

Revisions

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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. UPS 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 \$50,000 (some restrictions apply) after obtaining a quote. For purchases \$50,000 and over, UPS may be involved in the process, and must be involved for purchases \$250,000 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. Regardless of dollar amount, units cannot procure or retain services from architects, engineers, consultants, and other firms associated with capital construction and non-capital construction or renovation and facilities repairs and projects.

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

Procedure Outline

- 3.1 Sourcing Order of Preference**
- 3.2 Regulatory Obligation**
- 3.3 Reporting Requirements and Board of Governors Approval**
- 3.4 Sourcing Methods (Supplier Selection)**
- 3.5 Formal Bid Process**
- 3.6 Waiver of Bid Process**
- 3.7 Additional Required Documents**
- 3.8 Other Approvals/Notification Needed**
- 3.9 Federally Funded Sourcing**
- 3.10 Sustainability**

Definitions

Business Associate Agreement (BAA): This is a prerequisite document which must be obtained before a procurement contract is entered into by Rutgers. 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 review, negotiation, and approval by University Ethics and Compliance. This contract, regardless of the template origin, must be negotiated and approved by the Rutgers' University Ethics and Compliance.

Accessibility Purchasing Form –This form is to be used to provide the necessary information needed for an accessibility review. All electronic information technology (EIT) systems, applications, software, and services used by Rutgers University are required to be assessed for accessibility based on the Rutgers University Accessibility Policy, current adopted version of WCAG, and applicable state and federal laws.

Facilities Approval: Any purchase needs to be reviewed and approved in writing by the facilities manager if a unit is considering the purchase of new equipment requiring utilities, modification to an existing space, or if a hole will be dug or material change to the landscape is required. The approved document should get attached to the requisition.

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 UPS or University Tax Department prior to a procurement contract being entered into and any start of service.

Intent to Award Letter –A letter which informs a successful bidder that Rutgers intends to award a contract to them, provided certain requirements and prerequisites are met, including, but not limited to, successful contract negotiations. If the prerequisites are not met, the Intent to Award letter is rescinded.

Public Works Registration – This registration is needed for all facilities or constructions-based engagements (\$20,000 or greater).

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.

Procurement Authority: Procurement Authority is the criteria/justification which must be met before any procurement activity (i.e. expenditure of Rutgers and taxpayer dollars) proceeds. It must be established to purchase goods or services based on financial thresholds and to ensure compliance with Rutgers University procurement policy and procedures. Can be established the following ways: formal/competitive bid, informal bid, waiver of bid or use of a viable GPO agreement or other University agreement.

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

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 include every deliverable, in detail, that the unit expects to receive from the supplier, and it must be attached to the requisition as an external document. The SOW, along with the link to Rutgers University Procurement Terms and Conditions on a Purchase Order, constitute a contract.

Third Party Vendor Risk Assessment Form: This form 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 form 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. This is a prerequisite examination which must be completed prior to a procurement contract being entered into by Rutgers.

Waiver of Bid: Required document for the purchase of at least \$50,000 that meets the specific criteria set by the University allowing the bypass of the competitive bid process.

Procedures

3.1 Sourcing Order of Preference

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

- 1) **Internal supplier.** University unit that provides goods or services to another University unit. UPS generally does not assist with these transactions, with the exception of a purchase order modification/change order (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.** When 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, 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 [Shop with a Punchout-Enabled Supplier](#) and [Punchout Process Instructions](#).

b) Contacting one of the [Procurement Teams](#) for a listing of available contracts.

- 3) **Other Supplier** – If the above options do not meet the need of the unit, then units may consider procuring the good or service from suppliers outside of the universities preferred suppliers list. Purchasing from a supplier not included in our preferred supplier list often involves additional steps and may require the assistance of UPS. Units should refer to 3.2 Sourcing Methods below for details in procuring goods or services from a supplier that is not an internal university supplier nor an outside supplier with a university contract.

3.2 Regulatory Obligations

There are certain regulatory obligations that may be needed and should be considered prior to engaging with a supplier. Collaborating with UPS for sourcing and supplier engagements will help ensure compliance with these and other obligations. The following are examples of these types of assessments

- Sanctions lists check (all healthcare related expenses) - University Ethics and Compliance (UEC) services provider
- Independent Contractor or Employee Determination (ICED)
- Third Party Vendor Risk Assessment
- BAA (Business Associate Agreement)

3.3 Reporting Requirements and Board of Governors Approval

There are approval and reporting requirements for certain types of RFPs that may go to the state or the Board of Governors.

- State reporting requirements (State Comptrollers office)
 - Covid related RFP prior to bidding of \$150,000
 - Pre-advertisement notice for RFPs valued at \$12.5M or greater
 - Post-award notification of all awards \$2.5M or greater
- Board of Governors approval and reporting requirements
 - All formally bid procurements \$10M and greater must have Board of Governors approval prior to award.
 - All formally bid procurements between \$1M and \$10M will be reported at each Board of Governors' Finance and Facilities meeting as well as annually to the Board of Governors
 - Waiver of bids \$5M and greater must be approved by the Board of Governors prior to the execution of the contract or the issuance of the purchase order
 - Emergency procurements \$5M or greater must be approved by Chair of the Board of Governors and Chair of the Board of Governors' Finance and Facilities Committee prior

- to execution of the contract or issuance of the purchase order and submitted for ratification by the entire board at the next Board Meeting
- Bid waivers between \$1M and under \$5M must be approved by the Chief Financial Officer or designee prior to the execution of the contract or issuance of the purchase order
 - All emergency procurements and bid waivers between \$1M and under \$5M must be reported at each Board of Governors' Finance and Facilities meeting and reported annually to the Board of Governors
 - Generational Bid Waivers and Pass-through Waivers of Bid Procurements shall be exempt from Board of Governor approval.

3.4 Sourcing Methods (Supplier Selection)

If neither an internal or [University-Contracted Supplier](#) meets the needs of the unit, the purchase of goods or services must go through a supplier selection process. The specific process is determined by the value of the purchase. 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 \$50,000

3.4.1 Quote and Quick Order

All requisitions of purchases of goods and services under \$50,000 (the Low Value purchase range) must have an accompanying quote from the supplier before a purchase order is issued. UPS does not need to be involved in these transactions but is available to assist as needed. Goods or services below \$50,000 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 [Make a Purchase](#) on the UPS website.

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 UPS website for a complete list of necessary activities before making a purchase.

Quick Orders

For goods and services under \$50,000, 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 \$50,000 threshold and isn't on the list of restricted items. Units must review the [List of Restricted Items](#) before issuing a quick order. Professional Services of any value are not to be procured through Quick Orders. With Quick Orders, the [RU Marketplace](#) system automatically reviews purchase requests and issues a purchase order.

Purchases with a value of \$50,000 And Less Than \$250,000

3.4.2 Informal Bid

All purchases of goods and services totaling at least \$50,000 and below \$250,000 are considered to be in the Informal Bid Range and must include a price or rate quote from more than one supplier. UPS does not need to be involved in these transactions but is available to assist as needed. A minimum of 2 quotes should be included in order to benchmark the product. 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).

The lowest price may not always be the best value. Units should consider the total cost of ownership, which includes the purchase price, freight cost shipping and handling, inspection, quality, rework, maintenance, disposal, and other associated costs. Units should contact the applicable [Procurement 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 Associate Director](#))

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 [3.5 Waiver of Bid Process](#) below.

Purchases \$250,000 and Greater

3.4.3 Formal Bid

Goods and Services procured with a value of \$250,000 or greater are considered to be in the Formal Bid Range and require a Formal Bid process. Units are required to contact the Strategic Sourcing Manager to begin this process, using the RU Marketplace Sourcing Director “Request Sourcing Event”. Before initiating a competitive bid, refer to [Find Products and Services](#) to determine if the purchase can be made through a University contract.

A Waiver of Bid is required when competitive procurement is not possible and neither the Informal Bid nor the Formal Bid methods apply. See [3.5 Waiver of Bid Process](#).

All formally bid procurements \$10M and greater must have Board of Governors approval prior to award.

3.5 Formal Bid Process

UPS is responsible for conducting the Formal Bid process for all purchases \$250,000 and greater (Formal Bid Range) and will assist the units throughout the process. This process is initiated when a unit either approaches UPS with a formal bid request, or UPS 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 UPS 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 Associate Director](#))
- Ensure that specifications are general in nature
- Make an [Independent Cost Estimate](#) (Uniform Guidance/Federal awards)

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

- 1) **Stakeholder Engagement** – UPS will assist the unit (where applicable) in analyzing spend. The analysis may determine additional primary stakeholders. Stakeholders who participate in the evaluation process should be Rutgers Faculty/Staff with no conflict of interest associated with the supplier(s) submitting a bid or proposal (See [10.0 Ethical Conduct](#)).

Stakeholders participating in the RFP process at minimum should:

- Perform responsibilities in a fair and equitable manner
- Review and objectively evaluate all bids/proposals

- Keep all information related to the process confidential
- 2) **Specifications** – The Unit will outline and submit to UPS the detailed specifications, performance standards, and/or statement of work for the goods or services needed.

Specifications should:

- Be generic in nature to allow for sufficient competition

Specifications 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, UPS develops and issues a solicitation document (e.g., Request for Proposal (RFP)) to solicit bids and/or proposals from suppliers. The document will include detailed specifications, 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, UPS 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 (if applicable)
- Include potential bidders identified by the Unit in the RFX Intake Form, (if applicable)
- Include small, minority, and woman-owned business in the bidders list where possible
- Include suppliers in labor surplus areas where possible

- 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.

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 on price and other factors considered

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 only), will include any specifications and pertinent attachments and must define the items or services in order for the bidder to properly respond.
- Bids will be opened at the date and time as detailed in the purchasing portal.
- 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 terms and discounts will be used to determine the overall pricing of the proposal.
- Any or all bids will 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 - UPS works with the Unit 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 meet the detailed requirements as well as Rutgers terms and conditions. Consideration will be given to suppliers who meets technical requirements, record of past performance, and financial viability. For federal awards, Rutgers must include supplier profit as evaluation criteria. Suppliers will be notified of the bid results by UPS.

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 the appropriate Sourcing Lead.
- 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)

Post Award Supplier Set-Up – after a supplier has been awarded, the Strategic Sourcing Lead UPS will onboard the supplier thru PaymentWorks (See [2.1 New Supplier Set-up](#)) UPS will proceed with drafting a university contract, as appropriate (See [4.0 Contracting](#)). UPS may determine to include the supplier in the RU Marketplace punch-out catalog, as appropriate.

5) 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.

3.6 Waiver of Bid Process



A Waiver of Bid is a required document needed to bypass the competitive bid process. A Waiver of Bid requires a proposal from only one source, can be used in unique circumstances (where applicable), and requires a detailed justification. This process is utilized in lieu of an informal or formal bid process. University units must submit the completed [Waiver of Bid Request Form](#) with the requisition. UPS will ensure that the request meets an allowable justification and will perform a supplier check to ensure that the supplier is not on a debarred list. This does not guarantee that UPS, or the Board of Governors of Rutgers, The State University, will approve the request.

For federal awards, in situations where there is no price competition for bids \$250,000 or more, [profit must be negotiated as a separate element of the price](#).

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

All waivers of bid requests of at least \$1M and under \$5M are approved by the Chief Financial Officer (CFO) or the CFO's appointed delegate before the execution of the contract or issuance of the purchase order. The CFO has authority to require Board of Governor's approval. All waivers of bid requests of \$5M or greater require approval Board of Governors. Generational waivers of bid and waivers of bid for pass-through contracts shall be exempt from Board of Governors approval.

Emergency procurement shall be approved by the Chair of the Board of Governors and the Chair of the Board of Governor's Finance and Facilities Committee prior to the execution of the contract or issuance of the purchase order. A memo and supporting document are submitted for ratification by the entire board at the next Board of Governors meeting.

- Notice of such purchase is presented to the CFO (memo outlining the nature of the emergency purchase)
- CFO engages both Chairs and obtains their concurrence with the emergency procurement
- Procurement accepts waiver of bid requests and authorizes the emergency purchase
- Procurement prepares formal justification memo and presents this at subsequent F&F committee meeting followed by formal Board adoption

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 UPS forward related documents for the agency's review.

Waiver of Bid 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 UPS)
- Pilot project/trial/experiment
- Required by grant or existing public contract/proposed agreement with another public entity or government agency or a specific supplier required by the contract
- Purchase under Medicaid 340B
- Other pass-through purchases
- Generational procurement

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:

- 2) Create a requisition in [RU Marketplace](#). Complete the [Waiver of Bid Request Form](#).
- 3) UPS to review the form for approval and make contact if there are any issues or questions.
- 4) Attach Waiver of Bid Request Form and proposed contract to the requisition, if required.

3.7 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 include but are not limited to:

- BAA (Business Associate Agreement)
- Facilities Approval
- Independent Contractor or Employee Determination (ICED)
- Public Works Registration
- Statement of Work
- Third Party Vendor Risk Assessment
- Accessibility Purchasing Form

3.8 Other Approvals/Notification Needed

Compliance with the Office of the State Comptroller. For sourcing events with the threshold of \$2,500,000 or greater the following considerations **must** be adhered to as defined by the State Comptroller at this link: <https://www.nj.gov/comptroller/divisions/procurement/forms/>

1. For sourcing initiatives or an expenditure valued at \$12,500,000 or more, the Sourcing Lead must register the initiative with the State Comptroller no less than 30 days **prior** to public advertisement or other public or private solicitation.
2. For sourcing initiatives or an expenditure valued at more than \$2,500,000 but less than \$12,500,000, the Sourcing Lead must register the initiative with the State Comptroller no later than 20 business days **after** issuance of the letter of Intent to award.
3. For emergency or public exigency events or an expenditure valued at more than \$2,500,000, the Sourcing Lead must register the initiative with the State Comptroller no later than 30 business days **after** the award of a contract.

3.9 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.



3.10 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. UPS works with the Manager of Diversity and Sustainability at the time that the supplier solicitation list is created to include these suppliers where possible.

3.10.1 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 of vehicle.
- 3) Complete and submit the [Vehicle Purchase Form](#) and contact the appropriate [Procurement Team Member](#).
- 4) Work with UPS to obtain quotes and assist in the [Vehicle Purchase Process](#), including approvals and signatures from senior procurement and finance officials.
- 5) UPS category representative must 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 (available via Canvas & YouTube):

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

Revisions			
Effective Date	Approver	Change Reference	Issue #
06/2023	M. Gower		3

STANDARD OPERATING PROCEDURE:

4.0 CONTRACT MANAGEMENT

This procedure is in accordance with Purchasing Policy [20.1.11](#).

Introduction

Procurement 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.

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
- 4.5 Contract Review, Negotiation and Execution
- 4.6 Contract Management/Tracking of Deliverables
- 4.7 Contract Amendments
- 4.8 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 (SOW).

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.

Contracts Plus: RU Marketplace solution that allows the University to see the contract processing stages of certain contracts including those resulting from competitive requests for proposals issued by UPS and university-wide contracts. It also serves as a repository for contract documents and information and allows for advance notice of contract expiration and/or renewals to be made to the appropriate unit.



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.).

Group Purchasing Organization (GPO): A GPO is an organization that is created to leverage the purchasing power of a group of businesses or organizations to obtain discounts

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: 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.

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

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.

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

Procedures

Throughout the contracting process, there are several steps that occur including contract analysis, negotiations, edits, and signature, among other things. UPS is responsible for steering all phases of this process for agreements or contracts which result in the issuance of a university purchase order. Unsigned contracts for unit-specific goods and services should be attached to the corresponding

requisition. The unit is responsible for the content of the SOW for unit specific contracts.

4.1 What is a Procurement Contract?

A procurement contract is a legal document between Rutgers and a supplier for the provision of goods and/or services, which includes factors such as pricing, length of contract, deliverables, timelines for deliverables, quality requirements, and payment information. The contract also establishes the terms and conditions that govern the relationship between the parties. All procurement contracts will be reviewed by UPS and only UPS has the signature authority to execute contracts for the procurement of goods and services, unless there has been specific delegation pursuant to University Procurement & Payment Policy 20.1.11, Section B.

4.2 When is a Procurement Contract Needed?

A procurement contract is needed when goods and/or services are procured by Rutgers, unless otherwise specified. When possible, the unit should procure goods and services from suppliers that already have contracts in place with Rutgers. Units are advised to check [RU Marketplace](#) and the UPS website under “Find Products and Services” and to submit a request in RU Marketplace linking the appropriate contract. If a contract is not already in place for the desired good or service, the preferred method of contracting with a supplier is to issue a purchase order in RU Marketplace, attaching a quote or 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.

4.3 Contract Types

Rutgers utilizes various contract types to bind two or more parties with specific terms such as:

- Purchase Orders (PO)
- Master Service Agreement (MSA)
- Service Agreement (SA)
- IP&O Agreement

4.3.1 Rutgers Contracts Include:

- **Purchase Orders (PO):**

Purchase orders (POs) represent the overwhelming majority of procurement contracts and are the standard form used to procure goods and/or services for Rutgers. Goods orders require a quote from the supplier and service orders require a Statement of Work that provides the detailed description of the services, deliverables, price, and the length of term, among other items. Rutgers form Statement of Work is available on the UPS website under Contracting Forms. The PO also incorporates the University Procurement Terms and Conditions that protect the University’s interests. Upon acceptance by a supplier, a PO becomes a contract binding both parties.

If the PO alone is insufficient, UPS 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 at established prices.
 - **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 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 services, with a defined Statement of Work (SOW), including Fees and Expenses (e.g. parking services, photography services, etc.). The Rutgers Service Agreement form is located under Contracting Forms on the UPS website.

- **IP&O Agreement:** IP&O is responsible for negotiating and executing all construction project contracts. These contracts are not managed by UPS.

4.3.2 Supplier Contracts

When a Rutgers standard contract is not acceptable, a supplier contract may be utilized on case-by-case basis. UPS must negotiate terms and conditions for these types of contracts. An unsigned copy of the supplier contract should be attached to the requisition when submitted.

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 UPS review, negotiation, and execution.

- b) A supplier submits a quotation with their terms and conditions. These are carefully reviewed by UPS. If the quotation is accepted with the supplier terms and conditions, then Rutgers will sign the quote and Rutgers terms and conditions will not apply.

4.3.3 Group Purchasing Organization (GPO), Cooperative, University and State Contracts

Pursuant to Rutgers' Procurement and Payment Policy 20.11.1, Rutgers may purchase goods and services through contracts competitively bid and/or negotiated by other entities that often leverage

the purchasing power of a group of businesses or organizations to obtain better pricing and discounts from suppliers based on the collective buying power of that group. As a state institution, and as an institution of higher education, Rutgers may utilize GPO, cooperative and New Jersey state contracts, as well as contracts competitively bid by other colleges and universities for its purchasing needs. A unit desiring to purchase through any of these types of procurement contracts must submit a requisition, attaching a quote that references the contract name and number. The name of the cooperative and contract number should also be included in the internal notes field of the requisition.

4.4 Contract Creation

Units will initiate the contracting process by submitting a requisition and attaching the following documents depending upon the type of contract:

- a) PO under Rutgers contract: punchout order through RU Marketplace; quote or Scope of Work form (non-punchout supplier)
- b) PO as contract: quote or Scope of Work form;
- c) PO with Rutgers Services Agreement: completed, unsigned Rutgers Service Agreement;
- d) PO with supplier agreement: unsigned supplier contract

*Please note that depending upon the type of commodity or service purchased and the procurement authority for the purchase, additional forms may also be required, see Section 5.0 Ordering Goods and Services for additional information (for example, ICED form, Waiver of Bid Form, etc.).

To initiate the creation of strategically sourced contracts, including University wide contracts, that will be stored in Contracts Plus, UPS staff will complete a Contract Request Form (CRF).

4.5 Contract Review, Negotiation and Execution

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

- 1) Seeking guidance as needed from internal resources (e.g. Risk Management, Office of General 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 UPS to re-engage internal sources for additional input.
- 3) Forwarding the contract for execution to the appropriate signatories as per the [Office of General Counsel, Signatory Authority Policy 50.13.3](#). and Signature Matrix.



- 4) Attaching the fully executed contract to the PO when issued or publishing the fully executed contract in RU Marketplace Contracts Plus.

4.6 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](#) (located on the UPS website under Contracting Forms) for federally funded contracts as per Uniform Guidance.

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

4.7 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. See Rutgers form Supplement Scope of Work found on the UPS website under Contracting.

4.8 End of Contract Options

Contracts Plus notifies UPS in advance that a Contracts Plus eligible contract is set to expire or renew within a specified amount of time. UPS then notifies the unit of the upcoming expiration or renewal. UPS 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.

Expiration of contracts that unit specific and attached to purchase orders must be monitored by the unit.

References

Campus Instructions (available via Canvas)
[Contract Management Process Instructions](#)
[Tracking Deliverables Process Instructions](#)

Process Flowchart (available via Canvas)
[Contract Management](#)

Revisions

Effective Date	Approver	Change Reference	Issue #
06/2023	M. Gower		3

STANDARD OPERATING PROCEDURE: 5.0 ORDERING GOODS AND SERVICES

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

Introduction

Once procurement authority (See [3.0 Sourcing](#)) has been established, there are a number of options for placing orders for goods and services. The best option for placing an order is dependent on the type of transaction the unit requires. These methods will be explained in the sections below.

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

Procedure Outline

- 5.1 Determining the Best Method for Placing an Order for Goods or Services**
- 5.2 Required Forms to Be Submitted with Each Order Request**
- 5.3 Change Orders**
- 5.4 Blanket Purchase Orders and Multi-Year Purchase Orders**
- 5.5 Purchasing Card**

Definitions

Blanket Order: A blanket order is a purchase order the unit 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.

Business Associate Agreement (BAA): This agreement is required when a unit is engaging services that includes: creating, receiving, maintaining, or transmitting Protected Health Information (PHI).

Check Request: An RU Marketplace form to request payment for certain expenses that do not require the involvement of UPS or the issuance of a purchase order (see the [check request matrix](#)).

Accessibility Purchasing Form –This form is to be used to provide the necessary information needed for an accessibility review. All electronic information technology (EIT) systems, applications, software, and services used by Rutgers University are required to be assessed for accessibility based on the Rutgers University Accessibility Policy, current adopted version of WCAG, and applicable state and federal laws.

Facilities Approval: Any purchase needs to be reviewed and approved in writing by the facilities manager if a unit is considering the purchase of new equipment requiring utilities, modification to an existing space, or if a hole will be dug or material change to the landscape is required. The approved document must get attached to the requisition.



Goods Request Form: An RU Marketplace form used to issue quantity-based purchase orders for tangible goods that are \$50,000 and over or for such requests, regardless of amount, not allowed to be issued on a Quick Order.

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 UPS or University Tax Department prior to a procurement contract being entered into and any start of service.

Internal Purchase Order (IPO): A purchase order issued to order goods and services from other university service units, such as dining services or facilities related services.

Multi-Year Purchase Order: A purchase order issued to order services over the course of multiple years

Non-PO Upload: The non-PO upload process is a transaction process used for paying individuals rather than businesses. Payment is in the form of a check.

Procurement Authority: Procurement authority is the confirmation/validation that the procurement of goods or services conforms to the standards identified in the University's Procurement and Payment Policy 20.1.11.

Public Works Registration – This registration is needed for all facilities or constructions-based engagements (\$20,000 or greater).

Punchout catalog supplier: A contracted supplier that is electronically connected to RU Marketplace allowing the supplier to receive electronic copies of purchase orders as well as send electronic invoices to Accounts Payable.

Punchout Order – An order that is electronically submitted in RU Marketplace via the online catalog tiles in RU Marketplace.

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 (PCard): A university-issued credit card, to be used for purchases that are of low value and for goods and services.

Quick Order: A type of purchase order for goods under \$50,000 that are not among the [Restricted Items](#). A Quick Order does not require the review of UPS and will be sent directly to the supplier once the unit approvals are complete.

Service Request Form: Is an RU Marketplace form used to issue service-based purchase orders that are \$50,000 and over. Such requests, regardless of amount, are not allowed to be issued on a Quick Order.



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

Statement of Work (SOW): All service-based purchase requisitions should have a Rutgers Statement of Work attached. This SOW outlines the scope of services and all deliverables associated with the engagement. The SOW instructions will assist in completing the form.

Third Party Vendor Risk Assessment Form: This form 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 form 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. This is a prerequisite examination which must be completed prior to a procurement contract being entered into by Rutgers.

Procedures

5.1 Determining the Best Method for Placing an Order for Goods or Services

It is a university requirement that a purchase order be issued prior to a supplier providing goods or services.

There are several methods for end users to obtain goods and service. The general order of preference is as follows:

1. [Internal Purchase Order \(IPO\)](#)
2. [Punchout Order \(PO\)](#)
3. Contracted Supplier
 - a. [Quick Order](#)
 - b. [Goods Request Form](#)
 - c. [Service Request Form](#)
 - d. [Check Request](#)

5.2 Required Forms to Be Submitted with Each Order Request

Each order request (Quick Order, Goods, Service, Check) is required to have attached, as back up documentation, a quote, proposal or estimate, etc. The back-up documentation should clearly state the supplier's name and contact information. Depending on the supplier or the type of engagement, additional form(s) or approvals may be required and must be attached to the purchase requisition. Instructions for completion and attachment of the form to the order request should be followed.

These additional forms include:

- [Business Associate Agreement \(BAA\)](#)
- Facilities Approval
- [Independent Contractor or Employee Determination \(ICED\)](#)
- [Public Works Contractor Registration](#)
- [Statement of Work](#)
- [Third Party Vendor Risk Assessment \(TPRA\)](#)
- [Accessibility Purchasing Form](#)

5.3 Change Orders

There are times when a unit needs to make a change to an existing purchase order. Reasons for changing an existing purchase order include:

- Increase/decrease the amount of a blanket order
- Increase/decrease quantity of an item
- Change in the scope of work impacting the cost of the order
- Canceling an order
- Closing an order (if remaining funds are on order)

Change orders cannot be issued for all types of purchase orders. Change orders can be issued against the following:

- Internal Purchase Order (IPO)
- Goods Request
- Service Request

Change orders cannot be issued against the following:

- Check Requests
- Quick Orders
- Punchout Catalog Orders

5.4 Blanket Purchase Orders and Multi-Year Purchase Orders

Blanket Orders

A blanket order is a purchase order the unit 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 must not stay open for longer than 24 months. Exceptions must be approved by University Procurement Services. It is also highly discouraged to limit blanket orders for punchout suppliers.

Multi-Year Orders



A multi-year purchase order is a purchase order that is opened for year-to-year service. Often, the first year is funded and the remaining years are funded at the beginning of each year. However, any multi-year purchase orders that are associated with leases must be fully funded. It is highly recommended that any other multi-year commitments be fully funded.

Any project string or G/L string that is used to cover the first year of the agreement must be valid for the entire first year term. Subsequent years project string or G/L string may be changed prior to the beginning of the next year(s) or the agreement. Project strings or G/L string changes may only happen once at the beginning of the next year term of the agreement.

5.5 Purchasing Cards (PCards)

The Purchasing Card (Pcard) credit card program delegates purchasing authority and capability to eligible Rutgers staff. The Pcard, 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

References

Campus Instructions

- [Active IPO Search](#)
- [Check Request Processing Instructions](#)
- [Submit a Check Request](#)
- [Punchout Process Instructions](#)
- [Submit a Quick Order](#)
- [Submit a Goods Request](#)
- [Submit a Service Request](#)

Process Flowchart

- [Ordering Goods and Services](#)

Revisions

Effective Date	Approver	Change Reference	Issue #
06/2023	M. Gower		3

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 in place with a few preferred suppliers that should be utilized for shipping goods and services. Units are responsible for proper receipt of goods and services and must follow up with the supplier if there are any shipment shortages or damages. It is encouraged that any shipment shortage or damages are documented within RU Marketplace.

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

Procedure Outline

- 6.1 Shipping
- 6.2 Receiving Goods and Services
- 6.3 Mail Services

Definitions

Procurement team: In UPS, specific managers and analysts (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 consult [University Procurement Services Find Products and Services](#) for a listing of university shipping contracts. UPS 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. If this or additional procurement support is needed, units should submit a [University Procurement Services Help Desk ticket](#).

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 UPS 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 may be paid with a purchase order. This is the easiest way to account for shipping. 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 Help Desk. 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. It is strongly recommended units sign up to participate in the CampusShip program.
- 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. For punchouts, units cannot use this form and should submit a [University Procurement Services Help Desk ticket](#).
- 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 accuracy.



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 monitored by Accounts Payable.

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 cancellation.

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. Visit [Mail Services](#) Website for the full scope of services provided.

References

Campus Instructions

- [Shipping Process Instructions](#)
- [Receiving Process Instructions](#)

Process Flowchart

- [Shipping Flowchart](#)
- [Receiving Flowchart](#)

Revisions

Effective Date	Approver	Change Reference	Issue #
06/2023	M. Gower		3

STANDARD OPERATING PROCEDURE:

7.0 INVOICING

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

Introduction

UPS is responsible for processing the payment of invoices to suppliers in compliance with university policies and procedures. When suppliers provide a [Valid Invoice\(s\)](#), UPS 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

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

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

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

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

E-Invoicing: The preferred method of supplier invoice submission. Two options include 1) cXML where suppliers send invoice files via cXML format to Jaggaer directly, 2) Portal Invoicing where suppliers log in to the Rutgers Jaggaer Portal to convert purchase orders to Invoices.

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. UPS generally does not assist with these transactions, except in the event of a change order.

Optical Character Recognition (OCR): Used to populate fields in invoice template.



Oracle: A database that manages and processes financial data across wide and local area networks. The Oracle database has its own network component to allow communications across networks. This is the general ledger system that payments are issued from.

Punchout Supplier: A preferred supplier set up through UPS for users to procure products by accessing their catalog through the RU Marketplace portal. These suppliers are linked on the homepage for easy access.

Purchase Order (PO) – An official document that Rutgers sends to suppliers to document the sale of products and services.

RU Marketplace: RU Marketplace is the university online system that covers all stages of the procure-to-pay process excluding payments. 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.

Procedures

7.1 Invoice Intake

The invoicing process begins when a supplier submits an invoice, referencing a valid university purchase order (PO) number, allowing Accounts Payable within UPS to process the payment in the [RU Marketplace](#) system. Rutgers accepts a variety of invoice submission types. These are agreed upon during the supplier set up:

- cXML
- Supplier Portal
- PDF

cXML Invoicing

cXML Invoicing is an electronic feed of an invoice that is available to our punchout catalog suppliers. cXML invoicing is automatically submitted by the supplier after a good is shipped. These invoices are automatically processed.

Supplier Portal Invoicing

These suppliers are manually invited to the Jaggaer supplier portal via our eTeam and are provided an invoices submission guide upon registration. A valid PO must be used in order to submit the invoice. Once it is time to invoice, a supplier will log in to the portal, find their PO and convert this to an invoice.

PDF Invoicing

For PDF invoice submission, Suppliers are instructed on the PO to send their invoices to Accounts Payable at accountspayable@finance.rutgers.edu. It is strongly encouraged that invoices be sent via email, preferably as a PDF file attachment, for quicker processing. If a vendor is unable to email their invoice, they can mail it directly to Rutgers University, PO Box 3207, Scranton, PA 18505. Paper invoices should not be sent to any other address at Rutgers. All mail received at UPS is forwarded to the DMR at the above address.

Any invoice not referencing a university-issued PO cannot be not processed for payment. Invoices that are attached as back-up documentation to PO requisitions are not acceptable for payment, as this is in violation of UPS [Policy](#). In addition, UPS does not review POs for attached invoices, as this is also a violation. Therefore, units should not order or receive goods/services without a valid PO issued prior to receipt of said goods/services. 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
- Proforma invoices

7.2 Invoice Review and Validation

Invoices are routed to the Digital Mail Room (DMR) for automated validation and then integrated into RU Marketplace. These automated systems use OCR to review 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

Digital Mail Room –If an invoice is found to be invalid or missing required fields, it is returned to the DMR Portal for AP review (exception- if there is an invalid/missing PO, the invoice is auto-rejected by the DMR with a message stating such).

7.3 Invoice Processing

UPS 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 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 processors 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, UPS 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. Domestic wires are only done with the approval of the Treasury Department.

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 AP processor to initiate the payment process (as long as the invoice is under \$5K and is not a sub-award nor an invoice in the exception queue).

- **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 until payment is issued according to the contract 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 UPS for reasons such as finding duplicate invoices. In addition, a unit may reach out to UPS 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 unless resubmitted with a unique invoice number.

7.3.1 Invoice Review, Adjusting, and Completing

Accounts Payable processes invoices when the processor accesses their designated alphabet queue, sorts the invoices by invoices over \$5K first and then by folder entry date (oldest first) 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, 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 Invoice Matching and Resolution](#)).

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 PO Modification 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. 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

Tolerance Thresholds

Marketplace has built-in tolerance thresholds that prevent invoices from exceeding the purchase order amount without AP review. These tolerance thresholds are designed to allow for incidental expenses that may not have been quoted when the PO was established. Examples include: setup charges, mailing/shipping expenses etc. Reasonable expenses applying these tolerances may be approved by the AP Associate Director. They are not intended for offsetting PO overages (more Goods Delivered than the Purchase Order stated).

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** – A matching exception occurs when the invoice overbills the PO by quantity or amount. 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 Closed Purchase Order Exceptions:

- **Closed Purchase Order** – The purchase order has been fully expended and auto-closed during invoice processing.
- **Canceled Purchase Order** – The unit can request a purchase order to be canceled by UPS using a PO modification form. This action not only closes the purchase order, but also returns the encumbered funds back to the UDO
- **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.
- **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.

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 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 and all subawards**– Invoices \$5,000 and over and all subawards 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 and subawards:

- 1) The invoice goes into a queue for Invoice Review/Approval.
- 2) The system recognizes when the amount of a processed invoice is \$5,000 and over and subawards 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. The expense is not reflected in Oracle until the invoice is approved in RU Marketplace.
 - 4) Additionally, any invoice valued at \$1M or greater shall be approved at the invoice level by the Executive Vice President-Chief Financial Officer and University Treasurer and, in addition, by any one (1) of the following University Officers: the Chair of the Board of Governors, President, Executive Vice President for Academic Affairs, Executive Vice President for Strategic Planning and Operations and Executive Vice President- Chief Operating Officer, or Secretary of the University
 - 5) Once online approval is complete, the invoice changes to “Payable” status, and is passed to Oracle for further validation for accounting/payment. Payment is issued in Oracle based on invoice due date and supplier terms.
 - 6) Accounts Payable runs weekly clean-up reports to identify invoices still requiring online approval from the unit. Designated approvers and business managers 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. If an approver has permanently changed, the unit should contact the UPS Help Desk to update the approver information.
- **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. The supplier must provide an invoice which should be attached to the pre-payment request. 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 route to the AP Prepayment Review Queue, where expeditors review. Pre-payment terms must be reflected on the contract or the supplier’s invoice to constitute a valid pre-payment. If they do not qualify, the requisition will be rejected and the invoice must submitted thru the normal channels.
- **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 or a [Check Request](#). Utility payment terms are immediate.
- **Wire Transfers** – A wire transfer is an electronic payment for an invoice that has been submitted for processing. Wire payments are only for international payments. Accounts Payable processes invoices with wire transfer forms with the assistance of University Treasury. **All domestic wires must be approved by the Treasury Department.** Selection of wire payment does not initiate a wire payment. The appropriate wire requisition form must be completed.

To initiate a wire transfer payment:

- 1) The domestic or international wire form can be found in the form repository in RU Marketplace and is routed to the Wire Review Approval Queue for an AP Expeditor, Supervisor, or Manager to sort and review by date submitted.
- 2) The AP 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
 - Confirmation that the invoice has not been paid; Invoice status should show as “In Process”. Once confirmed, the requisition is forwarded to University Treasury
- 3) Accounts Payable reviews the request for valid banking information, approves and routes to Treasury for their review and processing.
- 4) The approved requisition will be routed to the Wire Invoice Processing Approval queue, and then AP will book the expense through RU Marketplace.

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 the Accounts Payable Associate Director 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 payment number routes to RU Marketplace from Oracle in batch processing and is located in the Invoice tab. The payment date can be viewed under the Invoice History tab or on the invoice summary screen itself.

References

Campus Instructions

[Invoice Approval Process Instructions](#)

[Approve an Invoice](#)

[Pre-Payment Request Process Instructions](#)

[Submit a Goods Request](#)

[Submit a Service Request](#)

Revisions

Effective Date	Approver	Change Reference	Issue #
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STANDARD OPERATING PROCEDURE: 8.0 PAYMENTS

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

Introduction

Accounts Payable in UPS 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 Services Help Desk](#).

For training and additional resources on Payments, please visit UPS' [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.

Convera – wire payment system used to pay international suppliers with invoices in USD.

Corporate Trade Exchange (CTX): A file format defined for ACH transfers to corporate bank accounts.

E-Payables: External suppliers may elect to receive payment through the Bank of America E-Payables program, in which funds are deposited to the supplier's virtual credit card that is assigned to the supplier through the program. The supplier must "charge their card" to receive their funds. E-Payables is the preferred method of payment where suppliers have quick access to funds in a secure environment.



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-X: External suppliers electing to participate in Bank of America’s PayMode network receive ACH direct deposits through Paymode-X into the bank accounts designated in the profile maintained by the Paymode-X network. For suppliers, Paymode-X is the second preferred method of payment managed by Bottomline / Bank of America. Banking information is not maintained at Rutgers. This method is only available for companies and LLCs.

Prearranged Payments and Deposits (PPD): A file format defined for ACH transfers to personal bank accounts.

Pre-payments: Payments that may be requested by a supplier prior to goods or services being rendered (such as deposit to start work on project).

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 payment method for electronically transferring funds from Rutgers to another entity through Treasury. At Rutgers, these are used for international payments only and domestic payments as an exception.

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.

8.1.1 Payment Terms for NEW Suppliers effective August 2020:

Rutgers offers the following standard terms and requirements for all procurement suppliers (with the exception of sub-awards). Unless the supplier has a UPS-negotiated contract with different terms, any exception to these terms must be requested by a Rutgers Unit Head and approved by the Associate Vice President and Chief Procurement Officer (or designee).

PAYMENT TERM TABLE

Payment Terms	Payment Type	Invoice Type (Transmission Mode)
Immediate	e-Payables	e-Invoicing (cXML or Jaggaer portal invoicing)

(upon approval of invoice)	(Virtual Card)	PDF invoice to Digital Mailroom (DMR)
Net 30	Paymode-X (ACH)	e-Invoicing (cXML or Jaggaer portal invoicing)
Net 45		PDF invoice to Digital Mailroom (DMR)

EXCEPTIONS

Individuals *

Net 30	Any Payment Type	e-Invoicing (portal invoicing)
Net 45	Any Payment Type	DMR, PDF Invoice

Alternative terms

ALL EXCEPTIONS and Payment by check setup MUST be approved by the Associate Vice President and Chief Procurement Officer (or designee).

Supplier Invoice submissions will be monitored by invoice type and payment type may be changed by UPS if there are changes in the transmission mode.

8.1.2 Check

While not a preferred method of payment, a paper check is the default method of payment to the supplier, until electronic payment is established. Checks are issued by Accounts Payable and disbursed according to terms negotiated on the purchase order agreement.

Checks are distributed to the supplier in two ways:

- 1) By mailing to the supplier – Most checks are disbursed by Accounts Payable directly to the supplier. On an exception basis, express mail may be used for priority mailing if the unit provides a pre-printed PDF label to Accounts Payable.
- 2) By mailing to the 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.
 - Most checks produced from the Non-PO Upload Process are mailed back to the unit. 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 permission from the Accounts Payable supervisory approval.

8.1.3 Check Request

A check request is an official request to UPS 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](#).

The [Non-PO Transaction Matrix](#) is maintained by UPS 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 (or Non-PO upload);
- 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 UPS will use

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

- 1) If the supplier/payee is not in the system complete and submit a supplier invitation request in [PaymentWorks](#), the Rutgers self-service supplier portal.
- 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.

8.1.4 Electronic Transfers through Treasury

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

- Payments for domestic wire transfers are authorized only with the approval of AP and the Treasury Office and non-same day transfers are done through ACH
- Foreign payments and same-day payments are done via wire transfer (Convera) in USD denomination. Suppliers must register with Convera prior to the submission of a payment request.

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 tracks the wire transfer status in RU Marketplace through requisition number, purchase order, or invoice number.
- 3) Once University Treasury approves the request, Accounts Payable creates a system invoice in RU Marketplace. For Convera processing, the funds transfer once the wire form is approved by Treasury. The accounting of the transfer is based on the successful processing of the invoice or check request.
- 4) For sub-awards invoices for all amounts and invoices \$5,000 and above, the AP Expeditor will approve the invoice on behalf of the unit.

8.1.5 Purchasing Cards (PCard)

Payment is via a Rutgers credit card issued by Bank of America and administered by UPS. 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 Help Desk](#) to confirm that the good or service is not available from a university contract prior to payment.

8.1.6 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 Financial 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 Rutgers unit buys goods or services from another Rutgers 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) When large dollar amount exceptions occurs, Accounts Payable notifies the unit using the Comment tab in RU Marketplace,

- 3) The unit creates the journal entry to pay an overbilled difference owed to the internal supplier.
- **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) UPS issues payment from a clearing account to the bank to avoid delinquency. A payment file exports from BOA 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.

Payment options are identified in order of preference:

1. **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.
2. **Paymode-X:** External suppliers electing to participate in Bank of America’s Paymode-X network receive ACH direct deposits through Paymode-X into the bank accounts designated in the profile maintained by the Paymode-X network.
3. **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. These payment types are on an exceptional basis.

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. See the [Non-PO Transaction Matrix](#) for a complete list of these transactions.

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](#).

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 UPS with justification provided by the unit or supplier. Units should contact



[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 Supplier Maintenance team within UPS.

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 deposited by Accounts Payable and electronically booked to a clearing account. Accounts Payable books a journal entry to credit the appropriate funding source using forms 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 UPS [Forms Repository](#).

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 [Non-PO Transaction Matrix](#) to determine if they qualify.

8.5.1 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 [Non-PO Transaction Matrix](#) to determine the needed supporting documents for payment.



8.5.2 Water (Bottle vs. Utility)

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 [Non-PO Transaction 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 UPS or Accounts Payable. However, these payments are generated in Oracle, therefore payments (commonly traditional paper checks) are produced with payments that go through UPS.

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

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.

References

Campus Instructions

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

Revisions

Effective Date	Approver	Change Reference	Issue #
06/2023	M. Gower		3

STANDARD OPERATING PROCEDURE: 9.0 RECORDS MAINTENANCE

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

Introduction

UPS 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 which can be found in the Rutgers University [Policy Library](#).

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
- 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. UPS 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.



UPS 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. UPS (and the unit if applicable) must contact the [Office of Research and Sponsored Programs](#) for those requirements.

UPS, 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 UPS are destroyed via any of the following formats:

- Pulping
- Shredding
- Incineration
- Electronic deletion

9.2 Open Public Records Act (OPRA)

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

When UPS 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 Strategic 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) 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

UPS 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. UPS 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 Strategic 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 RU Marketplace.

9.4 Special Reports

Professional Services Providers

UPS 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 Strategic 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 #
06/2023	M. Gower		3

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 UPS procedures. UPS may require Rutgers individuals involved in supplier proposal evaluations, or contract activities, to sign 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 sourcing 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. UPS employees and other Rutgers employees are prohibited from discussing pricing, terms, conditions or quotes given by suppliers except with Rutgers employees involved in the sourcing 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. 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 there is a real or apparent conflict of interest. The sourcing lead will



ensure that the Conflict of Interest document is executed for all RFP's over \$150,000.

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 UPS process. Procurements that bypass UPS may expose the university and the requesting unit to unnecessary legal repercussions. 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.

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-Chief Financial Officer and University Treasurer 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. UPS 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 UPS:

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

References

Revisions

Effective Date	Approver	Change Reference	Issue #
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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 and International Travel Procedure**
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- 11.3 Guidelines by Expense Type**
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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.

Business Meeting Expenses: Business meeting expenditures are expenditures for meals or light refreshments and related services (e.g., labor charges, room rental, equipment rental, and similar expenditures) incurred in connection with meetings of employees to conduct official University business. At least one University employee or other individual representing the University must be present at any business meeting that includes non-University persons.

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.

GSA: the U.S. General Services Administration establishes a per diem rate yearly. The GSA per diem rates are the allowance for meals and incidentals. Rutgers University allows incidentals to be reimbursed at actuals. Items that fall under Incidentals are tips for porters, baggage carriers or hotel staff.

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.

Per Diem: a daily payment instead of actual expenses for meals while travelling on University Business

- Expenses for breakfast, lunch, snacks, dinner and related tips and taxes are included in per diem.
- Per Diem is reduced on travel days to 75% of the per diem regardless of trip departure time.
- Per Diem is prorated for meals provided based on 20% breakfast, 20% lunch and 60% dinner.

The current per-diem chart is located the procurement website under "Related Links":
<https://procurementservices.rutgers.edu/travel-and-expense/reporting-travel-expenses>

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. Method of payment must be shown on the receipt. If the receipt is lost, the individual seeking reimbursement must complete the [Lost Receipt Certificate Form](#). This form is available in the Travel and Expense Section of the Forms Repository.

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. This must be initiated in Oracle Expense.

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.

Unallowable Expenses: Expenditures that may not be reimbursed, recharged, or paid to a vendor, such as:

- Meal /Entertainment expenses that are lavish or extravagant under the circumstances
- Expenses incurred more than 12 months prior to reimbursement request. Reimbursement exceeding 1 year are deemed taxable and processed through Payroll. Expense Report system will reject requests for reimbursements that were incurred more than 12 months prior.
- Meal /Entertainment expenses for employee birthdays, weddings, anniversaries, or farewell gatherings (excluding celebrations for retirement or for employees separating from University employment with at least 5 years of service)
- Meal Expenses for personal use or for a non-business reason
- Meal/ Expenditures that are not permitted under the terms governing restricted funds

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 mileage, 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.

Expense report must be reimbursed as ACH payment to bank accounts designated in Oracle Expense by the staff member. Check Payments are not supported.

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 International Travel Procedures

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

11.2.1 Emergency Travel Assistance Plan

Upon completion of international travel registration, international travelers will be eligible for enrollment in an emergency travel assistance plan, for a fee (based on the length of travel).

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

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

For more information, travelers should contact the [Department of Risk Management and Insurance](#).

It is highly recommended that traveling faculty, researchers, staff and students become familiar with the international services available prior to their departure.

11.2.2 International Travel Health Insurance

Since accessing medical and emergency assistance can be difficult and expensive while traveling abroad, Rutgers makes affordable International Travel Health Insurance coverage available to all of its



international travelers. Enrollment in International Travel Health Insurance is mandatory for all students traveling abroad and highly recommended for faculty and staff.

To enroll in the Emergency Travel Assistance Plan, which includes the International Travel Health Insurance coverage, 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 (based on the daily fee and number of travel days). 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).

11.3 Guidelines by Expense Type

The following details specific guidelines for various types of expenditures.

11.3.1 Commercial Airfare

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

Travelers **must** purchase commercial standard coach class airline tickets through the [Rutgers Travel Online Booking Tool](#) or [Direct Travel](#). Travel booked using other means will not be considered university business and will **not** be reimbursed.

Rutgers will reimburse a traveler for reasonable and appropriate baggage fees. Travel insurance is not reimbursable. 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. 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. Trip insurance is not a reimbursable expense.

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.

11.3.2 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 standard 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.

11.3.3 Bus Fares

Travelers **must** purchase standard coach class rail tickets through the [Rutgers Travel Online Booking Tool](#) or [Direct Travel](#). Booking using other means will not be considered university business and will **not** be reimbursed.

Rutgers will reimburse travelers for reasonable and appropriate baggage fees.

Travelers must include supporting documentation to receive reimbursement for bus 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 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.

11.3.4 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 folio receipt that details the:

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

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

11.3.5 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.

11.3.6 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.

11.3.7 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](#).

11.3.8 Conferences and Hotel Reservations

Travelers may request a university check via a [Check Request](#) in RU Marketplace or a university PCard (See [8.0 Payments](#)) to pay for conference registrations. 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. Payment is made upon check out with a personal credit card and then employees are reimbursed via Expense Management, non-employees through non-PO upload.

Travelers **must** purchase hotel stays through the [Rutgers Travel Online Booking Tool](#) or [Direct Travel](#). Booking using other means will not be considered university business and will **not** be reimbursed.

If a hotel requires a deposit, the card being used to hold the room will be charged at the time of booking. If pre-payment for a hotel reservation is required, follow the standard purchase order requisition process after the booking is made through the Rutgers Online Booking Tool or travel agency. For rental car direct billing options, please contact RUTravel@finance.rutgers.edu.

11.3.9 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.**

Travelers **must** purchase rental cars through the [Rutgers Travel Online Booking Tool](#) or [Direct Travel](#). Booking using other means will not be considered university business and will **not** be reimbursed. Rental car reservations made through the Rutgers Online Booking Tool or travel agency are paid by the traveler and submitted for reimbursement.

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, fuel and parking fees are reimbursable with original receipts.

Individual travelers requiring out of policy exceptions due to unforeseen or unique circumstances are required to complete the [Travel Policy Exception Request Form](#). 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.

11.3.10 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 comparable website) and distance; and
- A detailed business purpose;

The current automobile 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. The current auto mileage rate is available in the Travel-Related Expenses Section under Automobile Mileage Rate.

11.3.11 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 Preferred Car Service Suppliers](#).

11.3.12 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 two 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 (see Related Links) 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 minus any meals provided.

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.

11.3.13 Business Meals

Business meals are meals with a clearly substantiated business purpose and are directly associated with University business. Chancellors and Chief Business Officers can establish caps for business meals while budget owners can impose additional restrictions. An Internal Purchase Order (IPO) is the preferred way of payment for Dining Services while an IPO or PCard is the preferred way for Rutgers Club. Outside establishments can be paid by department PCard or Travel Credit Card.

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.

Business Meals and Other Events

- If on official university travel, business meals and Incidentals are reimbursable on a per diem basis per GSA guidelines. Receipts are not required for per diem reimbursements. The per diem

allowance will cover the individual traveler's meals. Meetings must have **published agendas and listed attendees**

- Group and other Business meals (not subject to per diem allowance)
 - Expenses must be reasonable and prudent
 - Special Occasions – retirements, celebrations etc. Prior approval is required in writing from the Dean/Chancellor's Office
 - The most senior RU faculty/Staff member picks up the expense and submits for reimbursement (**list of attendees required and an itemized receipt**) - list of attendees, valid business purpose and an itemized receipt are required
 - If Faculty/Staff is on the receiving end of a meal being paid by another RU traveler (as discussed above), they must forgo the per diem reimbursement and have a note in their expense report stating that "Person X" paid for their meal
- Meals provided by suppliers (potential) – strictly prohibited
 - Exception – non-sales event where representatives from Peer institutions are present and no sales or marketing related business is being conducted.
 - Example – sponsored networking event at a national conference.

Alcohol Purchases

Alcohol is permitted (within reasonable limits) provided the appropriate account is used to fund the purchase. It is recommended to obtain a separate receipt for alcohol purchases to facilitate appropriate accounting.

- Meeting attendees must be listed
- Expenses must be reasonable and prudent
- Events with student Participation must be adhere to RU Policy 60.1.11
- Federal or State fund sources cannot be used for alcohol purchases
- Alcohol is allowable on a PCard and travel card as long as above guidelines are followed

11.3.14 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 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.

11.3.15 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 [CIBT Visas](#), using the Rutgers account. Travelers should access the Passport and visa requirements at [Travel.State.Gov](#).

11.3.16 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.

11.4 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 www.my.rutgers.edu and login 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.

11.5 Reimbursement Set-Up

Expense reimbursements - Direct Deposit setup. Please note expense reimbursements are completely separate from Payroll direct deposits, and employee banking information must be set up in Oracle Expense Management prior to entering any expense report.

Reimbursement payments can be made to the same bank account as an employee's paycheck, or to a different bank account, based on the employee's own preference.

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](#).

- Direct deposits are credited to your bank account within three **business** days of being paid.

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. Choose Account Type "Checking" and "Savings" only. Do not choose Money Market.
- 3) Save and close.

When creating an expense report, the Payment Method which should be used is ACH-BOA-PPD (direct deposit).

11.6 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 Finance Approver and the second-level Approver (Exception Approver) must approve. Expense reports submitted beyond one year after the date(s) of travel will ~~not~~ only be reimbursed through Payroll as taxable income with written chancellor-level approval and completion of the [Business Travel Reimbursement Over One Year](#) form.

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 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.

11.6.1 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 on behalf of someone else.

To set up a delegate, the employee should:

- 1) Navigate to [Oracle Expense Management](#) and go to the Task icon à Manage Delegates.
- 2) Click on the +
- 3) When the Person box appears, click on the magnifying glass
- 4) Click on Advanced
- 5) Enter the delegates email address next to “Email Starts with”
- 6) Choose Search
- 7) Choose the person’s name and line turns light blue
- 8) Click OK then Save and Close.

11.7 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 Finance Approver for all transactions that require approval. Employees cannot choose their Finance Approver; it is assigned to them. If expenses don’t meet approval guidelines, the Finance 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 Finance 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 Finance Approver is attesting that each transaction (and its supporting documentation) has been reviewed and is an allowable expense.

The Finance 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 Finance Approver can be changed by completing and submitting a Finance Approver Change form. The form can be found in the Forms Repository via the University Controller's website at uco.rutgers.edu.

11.8 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 Finance 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 Finance 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.

11.9 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 Finance Approver for discussion with the employee. The Finance 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 after report is withdrawn or rejected. 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.

References

Campus Instructions

- [Expense Management Setup Instructions](#)
- [Submitting an Expense Report Instructions](#)
- [Travel Policy Exception Request](#)
- [Process an Employee Relocation](#)
- [Reimbursement for Expense Over One Year](#)

Revisions

Effective Date	Approver	Change Reference	Issue #
06/2023	M. Gower		3