

Purchasing & Disbursements



Extension Business Operations

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Topics

- Policies
- Payment Vouchers
- Authorization of Purchases & Disbursements
- Contracts
- Bidding Process
- County Credit Cards
- Discretionary Expenses
- Sales Tax Exemption
- Program Support Funds

Policies

- UK Purchasing Business Procedures (Section B)
<http://www.uky.edu/ufs/bpm-structure/b-purchasing>
- UK Disbursement Business Procedures (Section E-7)

Policies

- All Extension Offices are delegated procurement authority for ordering goods and services. County Offices may use Price Contracts established by the Purchasing Division of the University of Kentucky and may order directly from these vendors.
- Prompt payment for purchases will ultimately result in better vendor relations, improved service and lower prices.

Policies

- All requests for reimbursement must be submitted to the appropriate Treasurer or through TRIP within 30 days after expense is incurred.
- Agents, assistants, office secretaries or other Extension employees should not sign checks or be authorized to sign checks.

Payment Vouchers

- Payment Vouchers must be properly documented, including a detailed description of the activity/program purchase is for and detailed original receipts and/or invoices.
- Standard Voucher is now available on EBO website and will be mandatory July 1st.
- A customized voucher for volunteer groups is in development.

Payment Vouchers

- Bills should not be paid by Treasurer without a Payment Voucher and a detailed receipt.
 - Employees must use Payment Voucher form or TRIP with detailed receipts attached.
 - Even automatic bill payment bills need a Voucher.

Payment Vouchers

Purchase Date: Enter the date of purchase.

Purchaser Name: Enter the name of the individual who made the purchase.

Vendor Name: Enter the name of the vendor where the purchase was made (e.g. Wal-Mart, Lowe's, etc.)

Amount: Enter the amount of the purchase (total amount shown on receipt or invoice)

Person Submitting Form: Enter the name of the individual who is submitting the form (in some cases this may be an agent completing the form on behalf of a volunteer).

Paid By: Enter the source of funds covering the expense (EDB, 4-H, etc.).

Check Payable to: Enter the name of the individual or company to which this payment is due.

Method of Payment: Select the box most pertinent to the nature of this purchase.

Items Purchased: Enter a brief list of the items purchased (avoid using general terms such as supplies; and add specific detail, especially for higher end items or services)

Business Purpose: Enter a brief description justifying the need for the purchase to explain how the goods/services will be used in Extension.

	University of Kentucky College of Agriculture, Food and Environment Cooperative Extension Service	PAYMENT/REIMBURSEMENT VOUCHER
		County <u>Wildcat County</u>
<small>(Attach original itemized receipt/invoice)</small>		
BASIC PURCHASE INFO		
Purchase Date: <u>4/11/19</u>	Person Submitting Form: <u>John Smith</u>	
Purchaser Name: <u>John Smith</u>	Paid By (EDB, 4-H, etc): <u>EDB</u>	
Vendor Name: <u>Dollar General</u>	Check Payable to: <u>John Smith</u>	
Amount: <u>53.28</u>	<input checked="" type="checkbox"/> Personal Funds <input type="checkbox"/> Credit Card/Charge Account <input type="checkbox"/> Invoice/Bill	
Items Purchased: <u>Rice, Aluminum Foil, Dish washing liquid, Plastic containers</u>	Business Purpose: <u>Supplies for 4-H after-school programming at Wildcat County Middle School</u>	

****Attach original itemized receipt/invoice****

Payment Vouchers

Pre-Authorization Section

In certain circumstances, unbudgeted or emergency purchases must be made. **These purchases must be made according to existing Board/Council policies.**

Pre-authorization should be documented for these situations via signature from the associated Board Chair or Treasurer.

Approval Signatures Section

Purchaser Signature: Signature of the individual who purchased the goods/services.

Supervising Agent Signature: Signature of the supervising agent for purchases made by a program assistant (if applicable).

Fiscal Contact (or Delegate) Signature: Signature of the fiscal contact for the office, or delegate in his/her absence.

The form is divided into two main sections, each with a numbered header in a black box:

- 1 PRE-AUTHORIZATION:** This section contains the text "SEE DISTRICT BOARD POLICIES FOR PRE-AUTH REQUIREMENTS" in red, followed by "EXPLAIN ANY EMERGENCY PURCHASES MADE W/O PRE-AUTHORIZATION IN BUSINESS PURPOSE ABOVE" in blue. Below this is a light blue signature line with a red arrow pointing to the right, and a label "Board Chair/Treasurer" on the left and "Date" on the right.
- 2 APPROVAL SIGNATURES:** This section contains three signature lines, each with a red arrow pointing to the right. The first line is labeled "Purchaser Signature" on the left and "Date" on the right. The second line is labeled "Supervising Agent Signature (if applicable)" on the left and "Date" on the right. The third line is labeled "Fiscal Contact (or Delegate) Signature" on the left and "Date" on the right.

Payment Vouchers

Line Items Section (right side of form)

Information provided on the right side is provided to aid in assigning the proper G/L Accounts for Accounting Purposes.

Fiscal Contact should review the payment voucher to ensure the proper G/L is selected.

Staff Assistant entering transaction into accounting system should also review to ensure the proper G/L is being used.

Line Items		
Program Support	Contracted Svcs	Materials & Supplies
<input type="checkbox"/> 4-H	<input type="checkbox"/> Prof Services	<input type="checkbox"/> Mkt & Spec Prog
<input type="checkbox"/> ANR	<input type="checkbox"/> Maint & Repair	<input type="checkbox"/> Supplies & Svcs
<input type="checkbox"/> FCS	<input type="checkbox"/> Rents & Leases	<input type="checkbox"/> Postage
<input type="checkbox"/> Other _____	<input type="checkbox"/> Insurance	<input type="checkbox"/> Publications
	<input type="checkbox"/> Equipment Repair	<input type="checkbox"/> Janitorial Supplies
	<input type="checkbox"/> Vehicle Insurance	<input type="checkbox"/> Other _____
	<input type="checkbox"/> Vehicle Repair	
Travel	<input type="checkbox"/> Electric	Administration
<input type="checkbox"/> 4-H	<input type="checkbox"/> Gas	<input type="checkbox"/> Dues & Subscrip
<input type="checkbox"/> ANR	<input type="checkbox"/> Water	<input type="checkbox"/> Board Expense
<input type="checkbox"/> FCS	<input type="checkbox"/> Sanitation/Sewer	<input type="checkbox"/> Bookkeeping
<input type="checkbox"/> Other _____	<input type="checkbox"/> Telephone	<input type="checkbox"/> Cell Phones
	<input type="checkbox"/> Internet	<input type="checkbox"/> Other _____
	<input type="checkbox"/> Cable	
Prof Improv	<input type="checkbox"/> Other _____	Capital Outlay
<input type="checkbox"/> 4-H		<input type="checkbox"/> Equipment
<input type="checkbox"/> ANR		<input type="checkbox"/> Vehicle
<input type="checkbox"/> FCS		<input type="checkbox"/> Other _____
<input type="checkbox"/> Other _____		

Authorization of Purchases and Disbursements

- The Fiscal Contact authorizing a purchase or expenditure is responsible to assure funds are available for payment of all obligations made under this authority.
 - Each Payment Voucher should be reviewed and signed by the Fiscal Contact before the check is written
 - When reviewing the voucher,
 - Is the expenditure allowable & reasonable?
 - Is the expenditure coded to the correct line item?
 - Are there adequate funds budgeted to cover the expense?

Authorization of Purchases and Disbursements

- The fiscal contact is the responsible person for each budgeted expenditure account and therefore must approve transaction documents.
- EBO is developing a standard delegation of authority matrix and related delegation form.

Contracts

- For many county Extension offices, there are personal service needs such as lawn care, cleaning, maintenance of equipment, etc. These services may be acquired on a contract basis if they are not provided by Extension staff.
- Personal service contracts for professional services must include use of their own equipment and materials (not those owned by the Extension District Board).
- Please note that if payment is over \$600, an IRS Form 1099 must be given at the end of the calendar year.

Contracts

- When a contract for personal services \$20,000 or less is required, it is recommended that the office informally solicit proposals, make a determination of the best qualified contractor and establish a PSC contract.
- When a contract for personal services greater than \$20,000 is required, the office must conduct a formal bid process (KRS 424.260).
- County Fiscal Court purchasing policies may be more restrictive.
- Extension Employees are not to sign contracts on behalf of the Extension District Board.
- All contracts should be reviewed by the District Board and perhaps the County Attorney before presented to the contractor.

Bidding Process

- A bidding process is used for 2 reasons
 - Ensure equal opportunity for qualified vendors
 - Obtain the best price for the purchaser
- KRS 424.260 provides bidding requirements that would apply to Extension District Boards in regards to bidding for services and equipment.
 - County policies may be more restrictive and should be followed if so.
 - Check with County Attorney concerning bidding requirements.

County Credit Cards

- Extension District Boards (EDBs) have the option to allow credit/credit card accounts.
- Actions by the District Board should be reflected in the minutes before any credit/credit cards accounts are established.
- EDBs may impose spending limits.
- Debit cards are not allowed.

County Credit Cards

- EDBs may choose to have one major credit card and/or individual store credit cards and maintain card in office.
 - Either way the **EDB EIN#** should be used to obtain credit.
 - No UK Employee should have their credit/SS# tied to an EDB Credit Card
- Credit is to be issued in the name of the EDB.
 - Cards assigned to individuals should also include the employee name and EDB name.
 - **Tax exemption should be by the EDB's number, NOT the University of Kentucky.**

County Credit Cards

- Office Credit Cards must be kept in a locked location in the Extension Office and checked out by the Extension Staff for purchases
 - One designated staff assistant/agent should be in charge to the office credit card check out process.
- Credit Cards assigned to individuals can be kept in the possession of the individual and those individuals are responsible for any and all purchases.
 - If any employees individual county credit card limit is met during any given month, then personal funds should be used and then eligible for reimbursement.
 - In this situation another employees EDB issued Individual Credit Card cannot be used.

County Credit Cards

- All Credit Card purchases must be documented with a detailed receipt attached to a payment voucher (see voucher above).
- **ABSOLUTELY NO PERSONAL PURCHASES!**
 - To do so is misappropriation of public funds and a basis for termination of employment.
- EDB Credit Cards are **not to be used** for subsistence on any trip.
 - Registration, airfare, hotel rooms, parking, etc. are acceptable purchases with EDB Credit Cards if any Agent or Assistant is in official travel status.

County Credit Cards

- No comingling of purchases is allowed.
- If purchases are made at the same time for two different accounts, or programs, the charges should be made as if making two separate purchases.
- EDB, Council and Grant Purchases should be made separately.
- In the event of employee separation, all credit cards for that employee should be cancelled immediately.
- If any fraudulent activity is suspected by anyone concerning county office expenditures, notify your District Director, and the EBO Team immediately.

Discretionary Expenses

- All employees and volunteers must practice good stewardship of public funds. Purchases that may be discretionary in nature, should always be discussed with the fiscal contact and District Director before the purchase is made. Repeat or questionable purchases can and will be reviewed and could result in corrective action if misuse of funds is discovered.
- Discretionary expenditures should be paid for using non-tax funds.
- Discretionary expenditure guidelines are being developed.

Sales Tax Exemption for Purchases

- Kentucky Extension District Boards and entities associated with them are exempt from state sales tax.
- Employees are to make all reasonable efforts to make sure that sales taxes are not paid when making purchases on behalf of the Extension District Board or the entity.

Purchase Type	UK Exemption	County Exemption
Travel expenses paid by the employee that are reimbursed via TRIP	X	
Travel expenses paid on behalf of the employee by the county		X
All other expenses paid by the county		X

Program Support Funds

- Funds that are used for program expansion and support, such as supplies for demonstrations and equipment used to expand a program.
 - Supplies for demonstrations and equipment used to expand a program
 - Packaged programs for use in the county
 - Visuals, digital cameras, videos, reference books, curricula, etc.
- Funds require annual budgets.

Program Support Funds

- Reimbursement of program support funds are required to have a properly documented receipt.
- Program support funds are **NOT** to be used to replace funds needed by program councils.
- Program support funds are not to be used for expenses which benefit an individual such as a camp scholarship.
 - Can be used for leader training materials and workshop expenses.
- Gift Cards or other gifts for individuals may not be purchased with program support funds.

Questions



The logo consists of the letters 'U' and 'K' in a stylized, blocky font. The 'U' is positioned above the 'K', and they are both white with a dark outline. A small registered trademark symbol (®) is located to the right of the 'K'.

Cooperative Extension Service

Extension Business Operations
<http://cafebusinesscenter.ca.uky.edu>