

VERMONT TECH

Manual of Policy and Procedures

<i>Title:</i> Cash Disbursements Documentation	<i>Number:</i> T 503 B	<i>Page(s):</i> 3
	<i>Date:</i> November 22, 2013	

STATEMENT OF POLICY

Controller
Accounts Payable Supervisor
Staff Accountant II
Account Specialist II

There are currently four ways for the college to purchase the goods and services it requires. The first being contracts for continuing services, the second being purchase orders for specific, one time purchases, the third being the Image Now approval process, and the final being credit cards issued by the college to select employees.

REQUEST FOR PROPOSAL

For some of the larger contracts (ex. telephone service through Level 3 Communications) the entire Vermont College System will all be on one account. These contracts are handled by the Chancellors Office and the leading members of management from each college. With VSC (Vermont State Colleges) requiring competitive bidding for substantial purchases exceeding \$100,000 per transaction in the form of a Request for Proposal (RFP) process. The RFP will be issued to a minimum of three potential vendors who have been identified as having the ability to provide the goods, services or equipment at a quality level acceptable to the VSC. A Competitive bid process, or simplified competitive bidding process, is encouraged and expected for all purchases up to \$100,000.

PURCHASE REQUESTS/ORDERS

The vast majority of the purchases made by the college go through the purchase request/purchase order format. The college currently has electronic purchase requests set up through their accounting software, Colleague. All departments of the college, with the exception of the College Equine department, are now using electronic purchase requests/orders.

Both the electronic and paper purchase requests are initiated by the individual in the department who is requesting the purchase of the goods or service. For the electronic purchase requests this is done by logging into Colleague and completing the Purchase Request (PR) form. The newly created purchase request must be approved by the area supervisor, in addition to the supervisors if the purchase request is in excess of \$5,000 the President or Dean of Administration must also approve the expenditure.

To sign the electronic purchase requests the supervisor (as well as any additional approvals that may be necessary) must log into Colleague, find the open purchase request for their department and electronically sign the form. The Colleague software does not currently have a notification function for open purchase requests the supervisors must go into the outstanding PR list under their user ID and select the requests. Currently only the supervisor listed on the PR by the initiating employee has the ability to sign off on the PR unless additional approvers are added. The paper PR is manually signed by the appropriate college once the checks are signed they are distributed or mailed by the A/P Supervisor. When preparing the checks for distribution the A/P Supervisor will review each check against the check run report while manually stuffing the envelopes.

To ensure there is not a substantial number of aged outstanding checks the Accounting Specialist II will run a Stale Check Report in Colleague every 2-3 months, depending on the amount of checks issued by the college. The Controller and A/P Supervisor will use this report to determine which vendors should receive stale check letters.

CREDIT CARDS

In addition to the RFP and PO processes the college has issued Bank of America Visa credit cards to select employees. These cards are run through Bank of America Merrill Lynch (Works), an online software program used by the Vermont College System and linked into each college's Colleague account. The Works program is headed by the Accounts Payable Department at Castleton State; however each school is required to review and approve their own activity.

The activity on the cards is linked into Works with each cards activity. At the end of the month the employee will review their Works report, showing their activity for the previous month, for accuracy and submit it to their department supervisor for review and approval. These reports are then sent to the A/P Supervisor, Accounting Specialist II, or the Assistant to the Dean of Administration who will verify that the expense logs and receipts are matched up to the individual credit card expense logs. If not accurate then the p-card holder is notified (Accounting Specialist II does this).

Prior to the closing of each billing cycle a GL report is run by CSC to determine if any GL account numbers are in valid and sent to the Assistant to the Dean of Administration to make any corrections. Once the corrections are made the final mapper is run to update Colleague GL and Works is paid by CO.

Credit limits are determined on a case by case basis by College Management, and can be adjusted by Admin Right holders (Assistant to the Dean of Administration or A/P Supervisor) to meet the needs for each user. Either by verbal or written approval from their Supervisor and the Dean of Administration.

There is one A/P checking account used for all five colleges. This account is reconciled by the Chancellor's Office. The A/P Supervisor and Controller are notified of any variances and investigate any issues brought to their attention.

POLICY MODIFICATION HISTORY

- I. The following dates reflect chronological changes made to this policy which are henceforth considered depreciated.
 - a) June 30, 2012 – Created
 - b) November 22, 2013

Signed By:  Patricia Moulton President
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