CAL STATE LA UNIVERSITY AUXILIARY SERVICES, INC.

EXPENDITURE GUIDE FOR PRINICPAL INVESTIGATORS AND ACCOUNT MANAGERS

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1.Introduction

This guide is intended to answer most of the questions about expending funds from Contracts and Grants Projects and Campus Program Accounts held here at University Auxiliary Services Inc. (UAS)
One of many UAS' functions here at California State University Los Angeles (Cal State L.A.) is to provide post-award fiscal administration to university grant recipients. A second important function of UAS is to act as a trustee for over 300 campus programs, and manage their accounts. Most of the UAS requirements on expending funds under these functions are similar. Minor differences are pointed out throughout this document.

UAS is **fiscally** responsible for **all** expenditures made from any accounts under its purview. The P.I./account manager must ensure that all expenditures will benefit the educational mission of the CSU. This responsibility includes all expenditures for supplies, equipment, services, stipends, awards, scholarships, and any other type of payment to businesses or individuals. Accordingly, it is the fiduciary responsibility of UAS to review and maintain documentation for expenditures; consistent with good business practice and remain in compliance with applicable documentation standards required by Federal, State, and Local governments.

All expenditures require submission of either a:

Purchase Order (PO) requisition – The requisition form provides UAS staff with enough information to create a purchase order for vendors.

OR

Check requisition – The requisition form allows UAS to process requests to pay a vendor, reimburse the P.I./account manager's out of pocket expenses, and pay professional fees for services rendered, student stipends, participant cost, and Travel expenses.

This guide will discuss several processes to consider before submitting a PO/check requisition including: purchasing policy, fund expenditure controls, travel policy, contract agreements, and other key considerations.

In addition, this guide will provide important information on how to download forms and who to contact for additional information. The last page of this guide contains all the contact information.

All expenditure requests are reviewed for completeness and compliance to policy and procedures. Private and government auditors developed these procedures after many years of audit. They hopefully will guide P.I./account managers in expending funds in an efficient, yet auditable manner.

UAS fosters California Whistleblower Protection Act under Executive Order no. 821. This establishes a procedure for employees at CSU and its auxiliaries, to make protected disclosures of improper activities. Hence; any intentional deviation from the policies and procedures in expending funds stated in this document must be reported to an UAS or university official.

2.Definitions

Account manager	Any one who is authorized to approve POs and check requisitions from a campus program account
Budget	In this document budget is referring to available funds
Chartfield	A set of 24 identifying numbers used for accounting purposes, which allows the segregation and tracking of various accounts and projects
Encumbrance	The process of setting funds aside from an account for the purpose of paying a specific invoice or check
P.I.	Principal Investigator – The person responsible for an award who is authorized to approve POs and check requisitions for a project
P.O.	Purchase Order
Campus Program Account	An account fiscally managed by UAS where the funds are controlled by a department/college. The campus program accounts could either be restricted for a specific purpose or unrestricted.

3. General Information about Projects/Accounts

3.1 Project Identification Number

UAS assigns a six-digit identifying project number to every contract/grant and campus program account. The contracts and grants projects always begin with number 2 and

campus program/college accounts always begin with number 8. Please use this number as the reference when submitting inquiries, reimbursements, and P.O. requisitions.

3.2 Account Number

In addition to the unique identifying account number, a second set of six-digit numbers are required on all the expenditure requests. These numbers begin with a 6 and identify the types of expenses.

Campus program account managers are provided with a list of such accounts upon opening an account with UAS. Contracts and grants accounts are also provided with a list of budget and expense accounts; however they are limited to the terms of the award. The P.I. may contact the project's Financial Analyst to add more budget/expense accounts in the project (only if allowed by the funding agency).

Please use these account numbers in processing all POs and Check requisitions.

3.3 Approving Authorities

UAS follows the University and Auxiliary fiscal policies of "One-Up (next level)" for all signature authority policies. The P.I./account manager may not approve his/her reimbursements. **The next level up must approve all P.I./account managers' reimbursements. (**Educational code §89900(b);Title 5 A§42401, §42402)

3.4 Conflict of interest

In order to protect the P.I./account manager from possible charges of conflict of interest, purchases should not be made from a company in which P.I./account manager has an economic interest. Such purchases may have the appearance of wrongdoing and should therefore be avoided. UAS may make random checks of company ownership to ensure the integrity is maintained in all purchasing practices.

3.5 Vendor Information

SAM §8422.190 states that a completed Vendor Data Record Form (W-9) must be obtained whenever a state agency engages in a transaction that leads to a payment to any individual or any entity that is not a governmental entity. Further, for non-contract transactions, this form must be completed by the vendor and retained in the state agency's business services or accounting office as determined by state agency policy.

The Internal Revenue Service (IRS) Code §6041 also states that a state agency that fails to obtain the Tax Identification Number or fails to file timely information returns is subject to a penalty of up to $50 per annual information return to a maximum of $250,000. In addition, the state agency can be assessed a 31 percent federal backup income tax withholding on amounts that were incorrectly reported or were not withheld. The IRS and/or the state's Franchise Tax Board may assess further penalties, fines, and interest.

Please submit a Vendor Data Record Form for all first time vendors. UAS will not process any request for a vendor without a completed form. Evading from this requirement will delay payment to first time vendors. Please note that the UAS may check on vendors with fictitious names to determine the owner(s).

3.6 Restrictions

All check requisitions and invoice payments are subject to various audits including state and federal, and annual UNIFORM GUIDANCE audit. Non-compliance to the rules and regulations may result the cancellation of the project or account.

Please remember that there are numerous restrictions on reimbursable and allowable expenses. As mentioned earlier, UAS is an organization that handles Federal, State, and other campus program funds. Therefore UAS has to comply with certain Federal and State Regulations. Below is a table of some of the restricted items for both contract and grants projects and campus program accounts. Please note all submitted POs and check requisitions are closely monitored.

Examples of restricted items	Contracts and Grants	Campus Program
Gifts	Not allowed	Not allowed unless specified on the campus program agreement.
Late fees	Not allowed	Not allowed unless specified on the campus program agreement.
alcohol	Not allowed	Not allowed unless specified on the campus program agreement.
Entertainment	Not allowed	Not allowed unless specified on the campus program agreement.
Equipment 90 days prior to termination of project	Not allowed – unless approved by the funding agency	Not applicable

(For contract and grants refer to Uniform Guidance section J)

3.7 Period of Performance (Applies To Contract and Grants Only)

In Contracts and Grants department a project usually has a beginning and an ending date. All expense transactions must be incurred within the period of performance. If

the transaction date on the receipt or invoice is outside the lifetime of the grant, the expense is considered invalid and will be returned back to the P.I.

4. Pre-Purchase Consideration

4.1 Purchasing Policy

The State Universities Administrative Manual (SUAM) and the Federal Office of Management and Budget Uniform Guidance (and attachments) is referenced throughout this Policy. This policy will be divided into two sections, one relating to Federal projects and one relating to all other UAS activities.

4.1.1 Federal Projects (Applies to Contracts and grants only)

The reference for this section is Uniform Guidance, Attachment 0 and shall be followed by directors working on Federal projects. Refer to the detailed instructions in the Uniform Guidance. The following is a brief recapitulation:

1. Recipients avoid purchasing unnecessary items

2. The attachment provides standards for use by recipients in establishing procedures for the procurement of supplies, equipment, construction, and other services with Federal funds.

3. The recipient shall maintain a code of conduct that shall govern the performance of its employees engaged in the awarding and administration of contracts using Federal funds.

4. All procurement transactions shall be conducted in a manner to provide open and free competition.

5. Proposed procurement actions shall follow a procedure to assure the avoidance of purchasing unnecessary or duplicate items.

6. All proposed sole source contracts or where only one bid or proposal is received in which the aggregate expenditure is expected to exceed $25,000 shall be subject to prior approval at the discretion of the Federal sponsoring agency.

7. A price or cost analysis should be made in connection with every procurement action.

8. Procurement records and files for purchases in excess of $50,000 shall include the following:

    a. Basis for contractor selection.

b. Justification for lack of competition when competitive bids or offers are not obtained.
c. Basis for award cost or price.

4.1.2 All Other Activities

The policies listed below were drawn from SUAM and shall be used for all Non-Federal contracts and grants, and UAS campus program account managers. This policy relates to the acquisition of supplies, equipment, construction, and other services with the exception of all products for resale.

4.1.2.1 Informal Bid Procedure

A. Purchases form $10,000 to $49,999

Price quotations must be obtained on all purchases where the dollar amount is from $5,000 up to $49,999.99. Quotations will be solicited from a minimum of two vendors. Quotations may be obtained by telephone or in writing. Whenever possible, quotations should be solicited by telephone. On written requests for quotations, a reasonable period of time will be allowed for vendors to respond. The closing date for the price request will be clearly stated, and any quotes received after that date will not be considered. Complete copies of requests for quotations will be maintained for audit purposes.

Quotations will be evaluated to determine the lowest compliant price quote. The following factors should be considered:

a. Quoted price less any acceptable discounts.
b. Compliance with specifications: make, model, and performance.
c. Compliance with delivery requirements.
d. Unacceptable conditions.

If the lowest price quoted in unacceptable, an explanation of why it cannot be considered must be noted in the file.

4.1.2.2 Formal Bid Procedure

Purchases of $50,000 or more must be formally bid and awarded to the lowest bidder meeting specifications.

To ensure full competitive bids, the P.I./account manager will solicit bids from at least three bidders. Non-profit Organizations, educational Institutions and Government agencies are exempt from the formal bid policy. Formal Bid requirements in connections to Contracts and Grants are subject to the funding agency's regulations. Vendors who are officially named in a Grant or Contract are also exempt from the Bid requirement. In addition purchases made to support a Contract and Grant project even when the funds are from a different source are also subject to the funding agency's discretions.

The P.I./account manager chooses the method of advertising the invitation. At minimal, however, a copy of the invitation for bid shall be posted outside of the department's office, so that it is accessible to any bidder who may wish to participate. Complete copies of the bid request will be maintained by P.I./account manager's office and made

available to any vendor upon request. The P.I. /account manager may also solicit bids directly from vendor's known to supply the product or service required. The invitation to bid should include the following elements.

B. A clear, concise description of the materials or equipment being purchased, to ensure a minimum amount of interpretation by the bidder.

C. Clearly defined delivery terms and conditions.

D. The method or formula for determining the lowest bidder meeting specifications.

E. A reasonable amount of time for bidders to prepare and submit their bid response prior to bid due date.

F. The closing date and exact time of opening of sealed bids.

G. Notification that bids received after the closing date and time will not be considered.

Quotations will be evaluated to determine the lowest compliant price quote. The following factors should be considered.

A. Quoted price less any acceptable discounts.
B. Compliance with specifications: make, model, and performance.
C. Compliance with delivery requirements.
D. Unacceptable conditions.

If the lowest price quoted is unacceptable, an explanation of why it cannot be considered must be noted in the file.

4.1.2.3 Limiting of Competitive Bidding – Sole Sourcing

Limiting the bidding to one bidder and/or one brand or trade name is Sole-Sourcing. A Requisition that limits the bidding to one source and/or brand or trade name must be completed on a Sole-Source Form that includes a written justification, and explanation as to why the product/service specified is necessary for the successful carrying out of the requesting department's function, and approved by an official at UAS.

The justification should include the following:

a. The unique performance factors of the product specified.
b. Why these factors are required.
c. What other products have been evaluated, rejected & why.

A copy of the justification for a sole-source purchase should be filed with the purchase order or contract for post-audit purposes. The justification must be signed by the P.I./account manager, department chair, or director. An UAS official determines whether the justification is appropriate. Justifications are to be supported by factual statements that will pass an internal or federal audit. It is the salient features of a product that make it a sole source.

The justification should accompany a purchase order when sole source approval is requested for equipment, material, supplies and services **exceeding $50,000.** Sole source must meet at least one of the appropriate categories below when verifying sole source statements from P.I./account manager.

A. The requested product is an integral repair part or accessory compatible with existing equipment.
B. The requested product has unique design performance specifications or quality requirements which are essential to the P.I./account manager's research protocol or teaching needs and are not available in comparable products.
C. The requested product is essential in maintaining research continuity or to remain in compliance with established University standards.
D. Requested product is being used in continuing research experiments; other investigators have used the product in similar research and, for comparability of research results the P.I./account manager requires it.
E. The P.I./account manager has standardized the requested product and the use of another brand/model would require considerable time and funding to evaluate.
F. The requested product is one with which the P.I./account manager or staff have specialized training and/or extensive experience. Retraining would incur substantial cost in money and/or time.

4.2 Vendor and Contractor Files

UAS accounting office must maintain active vendor and contractor files on all products and services that are likely to be requested for purposes of conducting business and will have final approval on selection.

Legal and Contract provision verification - UAS may require from any contractor verification and certification of the specified insurances to conduct business and carry out their services.

Exclusion of Vendors or Contractors From Bidding - A vendor or contractor may be
removed or suspended from UAS' list of potential bidders and be prohibited from participating in any of the bidding processes if there has been a failure without to

perform in accordance with the terms of a past contract with UAS, any of the CSU campuses or governmental entity. It may also be removed or suspended if its performance with respect to a previously awarded purchase order or contract has been unsatisfactory. Such exclusion must remain in effect for at least 90 days after the unsatisfactory performance has been recorded, but shall not exceed a period of 360 calendar days in the prohibition at any time after the 90-day minimum period, upon demonstrating that the problems, which resulted in the removal or suspension, have been corrected.

4.2.1 Contract Agreement

The contract agreement procedures are to be used for those individuals who are defined as non-employees and are providing personal services for an account manager's campus program or a project.

There are currently two policies regarding contract agreements.

The first relates to independent contractors who provide services such as lecturing, speaking, clerical, or other special trades.

The second relates to consultants who provide only one service, consulting. (Consulting is defined for these purposes as "a person who gives professional or technical advice, as a doctor, lawyer, engineer, or discipline expert")

Individuals with a contract agreement are usually paid by billing the P.I./account holder. At year end the UAS will issue a 1099 or 1042 (for alien non-residents doing business within the U.S.) form to these individuals.

4.2.1.1 Independent Contractor

An independent contractor is an individual who is not affiliated with the University and is in business for him/her self to provide services. If the services of an independent contractor are required for the performance of a project, then the following procedures must be followed to obtain those services:

A. The P.I./account manager should obtain all the information required for the "Independent Contractor Payment Authorization Request and Agreement" form. (see form section of this document) That information includes the name, home address, and social security number of the contractor, and the rate calculation showing rate per unit, number of units, estimated travel costs, and total amount of the agreement.

B. An "Independent Contractor Payment Authorization Request and Agreement" form should be completed and then signed by the P.I./account manager.

C. A copy of the form should be forwarded to UAS Accounting Office. The second copy should be retained for the project/account manager's records.

D. The independent contractor is informed of the need to supply an invoice upon completion of his/her services indicating the total amount due including actual travel costs if previously agreed to. When the invoice is received, the P.I./account manager will be forwarded a copy of the invoice and will then complete a "Check Requisition Form" to be returned to UAS Accounting Office.

E. The compensation section of the " Independent Contractor Payment Authorization Request and Agreement" form should show separately the rate and time calculation (dollars per hr/day/week/multiplied by the hrs/days/weeks) and the amount or travel reimbursement, if applicable, included in the total amount due. The maximum that can be paid (excluding travel) without justification is equal to 125% of the rate of a Full Professor at top step. Any request containing a payment exceeding the maximum allowable must be accompanied by a letter of justification outlining the reasons why the person chosen should receive excessive payments. (Reasons such as "that's his normal rate" or "it's an insult" are not acceptable.) Please review rationale contained in consultant procedures for proper justification. The maximum allowable can be calculated in the following manner:

Academic rate = Professor top step times 125%
Monthly rate = Academic rate divided by 9
Weekly rate = Monthly rate divided by 4.33
Daily rate = Weekly rate divided by 5
Hourly rate = Weekly rate divided by 40

F. For those individuals providing instruction or lectures, the rate should be calculated on an hourly basis and include reimbursement for preparation, lecturing, and evaluation, if necessary.

G. When completing the "Independent Contractor Payment Authorization Request and Agreement" form, it is allowable to attach a supplemental page explaining in more detail any section of the form or indicating a schedule of payments to be made.

4.2.1.2 Consultant

A CONSULTANT is an individual providing the service of consulting. If there is a need for consulting on a project, then the P.I./account manager must follow the policy on consulting fees approved by the Academic Senate:

1. If the P.I./account manager includes funds for a consultant(s) in a grant proposal or campus program account agreement, the following documentation must be submitted to UAS as minimum standards for the justification of the consultant funds:

   A. The P.I./account manager must write a statement giving evidence that the services of the consultant are essential and providing reasons why the

P.I./account manager or other persons receiving salary support under the grant (or otherwise compensated for their services) cannot render this service or expertise.

B. If a consultant is the sole source of a service or expertise, the P.I./account manager must explain why the consultant is the only source.
C. If there are several consultant sources, the P.I./account manager must list these sources; indicate the relative qualifications of each consultant, and report why the P.I./account manager selected the one who was chosen.
D. The P.I./account manager must provide evidence that the consultant's fee is appropriate considering the consultant's qualifications and the nature of the services rendered. This evidence might consist of listing the normal charges made by the consultants in the above list, or of charges made by consultants of similar qualifications. Consultant charges may include fees for services, travel, and supporting costs (per diem or, where applicable, subsistence).

2. Consultant fees may not be paid to an employee of the Federal Government nor to Cal State L.A. employees.

3. Where the granting funding agency or the campus program agreement has additional restrictions to the awarding of consultant funds or to the selection of the consultants, these additional requirements must also be met.

4. Once work performed by the consultant, the P.I./account manager must write a statement that the work was performed in a satisfactory manner before payment of the consultant's fee shall be made.

5. In Contracts and Grants, when the granting funding agency awards funds for the proposed project, an Independent Consultant Agreement must be completed for each consultant who spells out the character and extent of services, the consultant's qualifications, the period of service and termination, compensation, taxes, assignment, reporting, patent policy, examination of records and conflict of interest.

4.3 Capital Outlay Projects

Capital outlay projects shall not be implemented prior to University or Chancellor Office approval. All capital outlay projects shall be coordinated through the University's Office of Planning and Construction. Capital outlay projects are defined as projects, which add new space or alter the programmed design or function of a space, including fixed equipment related thereto, by means of construction, substantial alterations, extension, or improvement of existing structures.

4.4 Title IX - Education Amendment of 1972

Under Title IX, sexual discrimination may not lawfully exist in policies, procedures or activities of any vendor. UAS subscribes to the Title IX policy and in recognition of this commitment assumes all P.I./account managers will inform, when practical, the off-campus vendor, organization, funding agency, contractor or person, of existence and practice of this policy.

4.5 Travel Policy

Cal State L.A. University Auxiliary Services, Inc. (UAS) follow Cal State L.A. policy and procedures for travel.

Travel expenses are reimbursed upon the completion of travel only. However, advance payments can be made to consultants/employees for lodging/hotel accommodations, registration fees, and airline tickets. UAS accounting office processes all travel expense claims in accordance with the California State University Travel Regulations. The amount allowable is determined by the State Board of Control, which also regulates the University's rates. A summary of required paperwork and the current rates and guidelines appear later in this section.

1. All travel must be pre-approved by an authorized signor or College Dean on a "Travel Approval Form".

2. A State of California or UAS Travel Expense Claim form must be completed by the project office indicating the name and address of the traveler, the date and time of the travel, the destination, and the costs relating to the travel, the account number, and the purpose of the travel. Both the claimant and the account director must sign the form.

3. All travel expenses must be itemized (actual amount spent) and substantiated on a "Travel Expense Itemization Worksheet" recording all daily expenses: meals, transportation, carfare, tolls, parking, gasoline, business expenses, etc. The completed worksheet will be submitted with the Travel Claim Form. Approvals are required if the total amount is different than the Travel Approval forms.

4. Original receipts for parking, buses, airplanes, and out-of-state hotels must be attached to the travel claim. Please note that the original receipts for lodging showing full payment has been made must be provided. Some hotels provide advance lodging receipt, which is not an acceptable receipt. Lodging receipt may also include various charges for room service (i.e. movie rental, bar tabs, etc.) and are not reimbursable and will be carefully monitored.

5. There's no need to provide receipts for meals. Meals are reimbursed in accordance with the rates provided under CSU Travel Regulations. Meal reimbursements on the first and last days of travel are prorated according to the time of departure and return. Incidental expenses up to $5 can be claimed every 24 hours.

6. Claims for transportation by scheduled airline shall be allowed at the lowest fare available on the date of origination of flight. **For grants that are supported with federal funds, the "Fly America Act" shall**

be followed, which requires the use of <u>AMERICAN CARRIERS ONLY</u>. Travel must be made on "Coach or Economy Class" and not "First" or "Business Class". <u>Fees for changing the flight</u> <u>for personal reasons are not reimbursable</u>. If the changes are beyond control, an explanation must be provided for reimbursement.

7. The expense claim must be accompanied by the traveler's flight coupon or formal receipt. Car Rental and Rental Car Gas – rental of luxury vehicles is prohibited.

8. Airport Parking – Parking fees are reimbursable if the P.I. Drive their car from home/work to the airport and back.

9. Local mileage – if authorized, mileage incurred for driving the own vehicle to an authorized destination during normal working hours may be paid. However, the normal commuting distance from home to headquarters must be subtracted from the overall distance.

10. Mileage from home/work to the airport and back – local mileage rates can be claimed if the P.I./account manager drives the car to and from the airport.

11. When a privately owned automobile is used, the employee will be allowed to claim per diem mileage in accordance to Cal State L.A. travel policy. (2005 CSU chancellor's guideline)

12. Mileage can be claimed based on the current rate where use of a privately owned auto is authorized for travel to or from a common carrier, the auto is not parked at the terminal, and the employee is an occupant of the vehicle one way.

13. Advances for the cost of a trip can be provided when requested on a check requisition and it is payable directly to the service provider. (i.e. airline, hotel)

14. Advances for meal per diem for Cal State L.A. students and staff can be made for up to 75% on a check requisition form. The remaining 25% will be paid upon submission of the "Travel Expense Itemization Worksheet".

15. Taxi, super shuttle, bus are reimbursable expenses.

16. Other miscellaneous expenses – Please contact Contracts and Grants for other reimbursable expenses.

17. When the original receipt cannot be obtained and a photocopy or facsimile must be used, it must be labeled with "Certification of Invoice To Be Used As The Original", certifying that the invoice copy or FAX

is to be used as the original invoice and that they have not or will not receive the original and it is signed and date)

18. For travel paid through UAS involving a minor, a "Travel Authorization/Release of Liability for Minor" form must be completed and signed by the minor's parent or guardian and submitted to the UAS along with the Travel Authorization Form.

19. Below are excerpts from the State Board of Control regulations, which should provide guidance in calculating amounts to be reimbursed.

    A. Headquarters is defined as the normal place of work.

    B. No per diem expense will be allowed within 25 miles of headquarters. Employees on travel status for less than 24 hours may claim subsistence expenses incurred before or after the regularly scheduled workday provided the departure time or return time exceeds the regularly scheduled work day by one hour.

    C. No travel expenses shall be paid unless submitted upon a travel expense claim, which has been properly itemized, accompanied by the necessary vouchers, and approved by an authorized official.

    D. Each claim for travel expenses must show the inclusive dates of each trip and the times of departure and return.

    E. Each claim for travel must state the purpose of the trip.

    F. Lodging may be reimbursed for full amount paid provided the charge is supported by an original receipt and the cost is neither excessive nor unreasonable.

    G. When attending a convention or conference the short-term subsistence rate shall apply except that reimbursement may be made at a higher rate if such expenses are beyond control of the employee and verification is provided.

    H. Reimbursement for transportation expenses will be made only for the method, which is in the interest of the project, considering both direct expenses as well as the employee's time. An employee may use a more expensive form of transportation and may be reimbursed at the amount of the less expensive mode of travel.

    I. Expenses arising from travel between home and headquarters shall not be allowed. Where a trip commenced or terminated at an employee's home, the distance traveled shall be computed from either his headquarters or home, whichever is less, except when travel to or from a common carrier commences or terminates before

or after the regularly scheduled work day. Then distance may be computed from the residence.

Travel Expense Document Requirement

Type of Travel	Required Supporting document	Required Paperwork
Local Mileage	None	Travel Expense Claim Form Only
Travel (P.I/account manager)	Original Lodging Receipt showing a zero balance. Original Receipts for all other expenses	Travel Approval Form approved by College Dean Travel Expense Claim Form (approved by the College Dean if expenses exceed the authorized amount on the Travel Approval Form)
Travel (other Faculty members)	Original Lodging Receipt showing a zero balance. Original Receipts for all other expenses	Travel Approval Form approved by P.I./Director Travel Expense Claim Form (approved by the P.I./Director) if expenses exceed the authorized amount on the Travel Approval Form)
Travel Staff (Cal State L.A., UAS employees)	Original Lodging Receipt showing a zero balance. Original Receipts for all other expenses	Travel Approval Form approved by P.I./Director Travel Expense Claim Form (approved by the P.I./Director) if expenses exceed the authorized amount on the Travel Approval Form)
Student, Non-Cal State L.A., Non-UAS employee	Original Lodging Receipt showing a zero balance. Original Receipts for all other expenses Original Receipts Only.	Travel Expense Claim Form (approved by the P.I./Director) if expenses exceed the authorized amount on the Travel Approval Form)

4.6 Purchasing Computer Software, Software Licenses, Hardware, and Services

Regardless of the funding source, purchase of Computer Software, Hardware, and Services requires approval from the Cal State L.A. Information Technology Services (ITS) Department. This is a university policy. UAS accounting will not process any POs or check requisitions for computer, laptop, desktop, drives, operating and application software, software license, scanners, printers, installation and other services without the appropriate **"Procurement Approval Request Form"** from the ITS Department. Please contact ITS for further guidance.

4.7 Purchasing HAZMAT Chemicals, Drugs, and Radioactive Material

HAZMAT - All POs relating to hazardous chemicals require approval from the Environmental Health and Safety (EHS) Office. POs submitted to UAS accounting are routed to the EHS first for approval. Please contact the University regarding this policy.

Drugs - The University must approve all POs relating to the purchase of controlled substances.
Please obtain the appropriate clearance/stamp on the P.O. prior to submission to UAS. Nutritional Supplements being tested on human subject also require the university's approval.

Radioactive Material - All POs relating to radioactive materials must contain the appropriate stamp of approval from the Radiation and Biological Safety Department. UAS will not fax or mail any radioactive POs to the vendor. UAS will notify the P.I. when the PO is ready, the PI will then order the material. Please contact the EHS Radiation and Biological Safety Department 3-3531 for more information and to obtain clearance.

4.8 Purchasing Equipment over $500

The University maintains an inventory of all equipment valued at **$500.00 and above**. The University Property Management Office assigns a State Tag Number upon receipt of the merchandise at Shipping and Receiving Department. If the P.I./account manager purchases equipment and expects a reimbursement, he/she must first obtain a state tag number, and provide it on the check requisition form before UAS can process the request. The state tag number may be obtained from the Property Management Department. Please keep in mind the equipment(s) becomes the property of the university upon completion and termination of the project.

UAS Accounting will verify the correct account on such purchases. If the equipment is $500 and above but less than $5,000, the correct expense account code is **619813**. If the equipment is $5,000 and above, the correct expense account code is **619812**. Please do not use the supplies expense account category (660830) for equipment. Correct

usage of equipment account expense codes helps us and the University in the equipment inventory process and audits. **Equipment physical inventory is part of the audit conducted every year**. The auditors randomly select equipment purchased from Grant or Campus program account funds and verifies their location.

4.9 Purchasing Equipment Requiring Space Modification

An approval from the Cal State L.A. Department /College and the University's Facility Services is needed in order to purchase equipment requiring space modification. (i.e. electrical, structural, plumbing) This approval must be attached to the P.O. in order for the P.O. to be processed. For more information please call the Facility Services. It is important to note that the approval **does not imply** an agreement to install. **Advance budget planning is required for installation cost.**

5. Purchase Order Requisitions

A Purchase Order (P.O.) allows the P.I./account manager to obtain the necessary supplies without paying for them in advance. However, please bear in mind that not all vendors accept POs. Some vendors operate on "Cash on Delivery" (COD) or credit card basis. A P.O. is a binding agreement between UAS and the vendor.

When a P.O. requisition is submitted, UAS is obligated to pay the vendor upon receipt of an invoice. Therefore, it is necessary to set-aside the funds from the project/account budget to cover the cost of the merchandise/Service including tax, shipping or delivery fees. This process is called encumbrance. The encumbered amount is only available to pay the invoice(s) for that particular P.O.

Upon receipt of the invoice and confirmation that the items were received, UAS pays the vendor out of the encumbrance. If the invoice is less than the P.O. amount, the remaining balance is returned to the original budget and becomes available for other expenditures. It is important to track all the POs and ensure that they are liquidated (paid).

UAS generates a Transaction Summary Report on a monthly basis. The report allows P.I./account manager to track POs. In case of discrepancies (invalid POs or Pos that may need to be cancelled) please contact UAS as soon as possible.

For Contracts and Grants only – Before project termination date, the Financial Analyst will send the P.I. a list of all the POs that are outstanding (open). The P.I. will then verify each P.O. receipt or contact the vendor for an invoice.

5.1 Items Requiring Purchase Orders

In order to comply with the university policies and procedures, the following items can only be paid through the P.O. process. If these items are purchased without a P.O., a reimbursement will not be approved unless the university authorizes the specific request.

1. Equipment over $500
2. Equipment requiring space modification
3. Hazardous chemicals
4. Controlled drugs
5. Nutritional supplements for human testing purposes
6. Radioactive Material
7. Computer Software, Software licenses
8. Computer hardware
9. Computer services

5.2 Processing of Purchase Orders

P.O. Requisition forms are available for download from the Cal State LA University Auxiliary Services website. The form may be completed online and printed for processing.

Three things must happen before UAS processes a P.O.:

1. As mentioned in the earlier sections, before submitting a P.O. requisition to UAS, please obtain the proper clearance and ensure that the following documents are attached if applicable:

    a. Clearance (Stamp) for Radioactive Materials
    b. Clearance (Stamp) for Drugs or other controlled substances
    c. Three bids from different vendors for POs that are $50,000 and above
    d. Information Resources Procurement (IRP) Form for all computer hardware, software, Software licenses and services e. Space modification for large equipment.
    f. Travel approval form

2. In order to process a P.O. most efficiently, the requisition form must be filled out completely. The following are some of the fields that need to be completed:

    a. Project ID number
    b. Category account number
    c. Vendor's name (Vendor's full name, UAS will not process vendors with initials, if new vendor attach Vendor Data Form)
    d. Vendor address
    e. Vendor phone number
    f. Vendor fax number (only if the P.O. is being faxed by UAS)
    g. Quantity
    h. Item
    i. Price per item
    j. All applicable sales tax (Cal State L.A. and its departments are not a tax exempt organization)
    k. All applicable shipping and handling charges
    l. Total charges
    m. P.I./account manager signature. (signatures are kept on file for verification)
    n. Method of delivery - The method of P.O. delivery to the vendor must be indicated on the P.O. Please indicate anywhere on the form the preferred delivery method, choosing one of the following three:

        i. UAS to mail P.O. to vendor
        ii. UAS to fax P.O. to vendor (Please provide fax number

iii. UAS to hold P.O. for pick-up **UAS does not phone in POs.**

3. Attach any backup documentation from the vendor.
4. Upon receipt of the P.O. form UAS accounting verifies:
    a. The authorized signature,
    b. Expense account category for funds availability,
    c. Award duration **(for Contracts and grants only)**

If all three requirements are met, the P.O. number is assigned to the P.O. requisition form within two (2) business days. **Please remember items may not be added to an already "ordered" and existing P.O. over the phone. A new P.O. must be created for additional items.** It is very important to include the applicable sales tax, delivery and/or handling charges when submitting the P.O.

After assigning the P.O. Number, UAS accounting will send the P.I./account manager a copy of the P.O. and another copy to Cal State L.A. shipping and receiving department. Once the items are received, the shipping and receiving department circles the items received on the P.O., marks the P.O. as partial or final shipment, and obtains the State Tag Number for equipment (if applicable). Shipping and Receiving will then forwards a copy of the P.O. back to UAS accounting.

5.3 Payment of P.O. Invoices

Upon receipt of the invoice from the vendor, UAS accounting matches it with the copy of the P.O. from Shipping and Receiving Department and processes it accordingly.

UAS may contact the P.I./account manager for the following reasons:

To confirm receipt of material in case shipping and receiving department, has not acknowledged the receipt of the items.
To obtain approval when the invoice amount is more than the P.O. amount by 10% or $50.00 (whichever is greater). In this case the processing of payment is delayed. This why it is very important to include the applicable sales tax, delivery and/or handling charges when submitting a P.O. requisition.

Once the invoice has been paid, the encumbered balance is cleared and the P.O. status is changed to complete.

6. Check Requisitions

As mentioned earlier, not all purchases are possible through POs. There are times where the P.I./account manager will need to purchase supplies (consumables) necessary to meet the project or agency's objectives and cannot wait for the P.O. Sometimes the vendor operates on cash basis only, or accepts verbal orders without a P.O. The P.I./account manager may personally pay for the items and later through a check requisition is reimbursed. Payments can also be made to someone, an organization, or any commercial vendor for official expenses and/or services rendered. **(An original receipt is required for these reimbursements. When the original cannot be obtained and a photocopy or facsimile must be used, it must be labeled with "Certification of Invoice to be used As the Original", certifying that the invoice copy or FAX is to be used as the original invoice and that they have not or will not receive the original and it is signed and dated.)**

Important note about check requisitions: All Checks cut to the P.I./account manager or any vendor must be able to stand on it's own during an audit. It must show that the reimbursement supports the project or campus program's objective, therefore, the section on the form requesting: "Reason for expenditure including how it furthers the educational mission of Cal State L.A.." must be completed with as much detail as possible.

The "Check Requisition Form" can be downloaded from the website at http://web.calstatela.edu/univ/uas/finsvcsfortemp.php. The form may be completed online and printed for processing.

6.1 Types of Check Requests

There are five types of check requests:

1. Out of Pocket Expense
2. Vendor (Cash only or accepts verbal order)
3. Services rendered – Consultant – Professional Fees
4. Participant Costs
5. Student Stipend **(Applies to Contracts and grants Only)**

UAS will not process check requests for any organization that specifies race/ethnicity, religion, age, or gender preferences as its purpose, in violation of state and federal equity and diversity laws. Checks submitted for processing will be returned to the requestor.

This section will provide a table for each type of reimbursement. Be sure and read the **"Important Notes"** after each table. 6.1.1 Out-Of-Pocket Expenses

Reimbursement for	Required Supporting document	Additional Required Paperwork
Supplies (Consumables)	Original cash receipt, credit card receipt	Check Requisition
Meeting Expenses and Business related meals in the local area (luncheon, dinner, banquet etc.)	Original cash receipt, credit card receipt	Check Requisition List of attendees and meeting flyer
Equipment	Original cash receipt, credit card receipt	Check Requisition State Tag Number
Computer Hardware, Software and Services	Original cash receipt, credit card receipt	Check Requisition State Tag # (if value is $500 and up including tax) IT Form from ITS Dept.
Supplies, Food for Students and Participants	Original cash receipt, credit card receipt	Check Requisition List (Names) of Students or Participants
Miscellaneous Expenses involving Students and Participants	Original cash receipt, credit card receipt	Check Requisition List (Names) of Students or Participants
Public Relations/Hospitality	Original **Itemized** receipt	Check Requisition Form explaining reason for meeting List of attendees

Important Note:

Reimbursement for meals must be supported by actual receipts and will not exceed the maximum amount per meal (breakfast, lunch, dinner) per person in accordance with CSU Travel Regulations. Hospitality expenses are exempt from CSU Travel Regulations meal limits. The payee can not be reimbursed for business related meals and per diem at the same time. Donations made with personal funds **are not** reimbursable**.**

6.1.2 Vendor

Vendors who accept verbal orders may be paid through a check requisition. Upon receipt of the invoice, please prepare a check requisition and attach the original invoice.

Type of Payment	Required Supporting document	Required Paperwork

Supplies (consumables) and other miscellaneous expenses	Original Invoice	Check Requisition
Food, space rental, for meeting or conference, banquet, luncheon	Original Invoice	Check Requisition List of attendees Meeting flyer
Food, supplies, transportation (bus), miscellaneous expenses for students and participants	Original Invoice	Check Requisition List of Students and/or Participants
Equipment ($500 and above)	Original Invoice	Check Requisition State Tag Number
Computer Hardware, Software, and Services	Original Invoice	Check Requisition IRP Form from ATS Dept.
Travel Accommodations (Hotel, conference fees, and Airline) for faculty, staff, P.I.	Original Invoice	Check Requisition Travel Approval Form(s) Travel expense claim form
Travel Accommodations (Hotel, conference fees, and Airline) for Students, Non UAS, non-Cal State L.A. employees	Original Invoice	Check Requisition Names of Attendees Conference/Meeting Flyer Travel expense claim form
Subscriptions, Professional membership fees	Original Invoice	Check Requisition

Important Notes:

If the vendor is not in UAS' database, there will be an additional form required for processing of payment. Federal Income Tax Law requires us to have the vendor's taxpayer number (TIN) before proceeding with the payment. If a TIN is not provided, UAS will have to contact the vendor to obtain their TIN.

UAS Contracts and Grants does not process Advance Travel Payments to individuals. However, travel accommodations for Hotel and Airline reservations can be paid in advance to a travel agency/vendor for as long as the scheduled trip is within the lifetime of the grant.

The period of subscription and membership must fall within the award duration.

For campus program accounts the goods and services purchased must be in compliance with the campus program agreement.

6.1.3 Services Rendered – Consultant – Professional Fees

Individuals or organizations hired to provide one-time services to a project or campus program are paid through the submission of check requisition. For individuals to qualify for this type of payment, they must follow an independent trade or profession and are not subject to control and direction as to the details and means of accomplishing the results of the service. **THIS TYPE OF PAYMENT IS PAID TO NON-Cal State L.A. AND NON-UAS EMPLOYEES ONLY.**

Type of Service	Required Supporting document	Required Paperwork
Consultant Services (Company)	Original Invoice	Check Requisition
Consultant Services (Individual)	Independent Contractor Form	Check Requisition
Professional Fees (Company)	Original Invoice	Check Requisition
Professional Fees (Individual)	Independent Contractor Form	Check Requisition
Honorarium, lecturer, speaker	Independent Contractor Form	Check Requisition
Prizes and awards	Written contest rules including judgment and decision criteria list of final 3 contestants	Check requisition

Important Notes:

Service/professional fees **will not** be pre-paid.
All payments made for honorarium, lecturer, speakers, prizes and awards require the individual's Social Security number or Federal Tax ID.
Prizes and awards are payments to individuals as a result of a judgment or decision only.

6.1.4 Participant Costs

Projects/functions involving participants and students must provide a list of names along with check requisitions. The most common types of reimbursements and vendor payments are food, travel/bus accommodations for field trips, entrance cost for parks, museums, events, supplies, incentives, and many others. **PLEASE PROVIDE THE LIST OF PARTICIPANTS FOR THE FOLLOWING CATEGORY ACCOUNT CODES:**

647000 (participants cost banquet)
647050 (participants cost course materials/books)
647200 (participants cost field trip)
647250 (participants cost food service/meals)
647300 (participants cost incentives)
647350 (participants cost miscellaneous)
647450 (participants cost miscellaneous)

647500 (participants cost housing)
647550 (participants cost travel)

The auditors verify the list of participants during an audit. Failure to submit this list will cause a delay in processing the check requisitions.

6.1.5 Student Stipends – Tuition – Registration Fees (Applies to Grants and Contact only)

Cal State L.A. students participating in any Contract/Grant project are paid using the Student
Stipend Certification Form and Check Requisition Form. (Per Title V of CA Ed. Code **Only Cal State L.A. students are eligible for stipends)** The Check Requisition Form is optional for stipend payments. Per Title V of CA Ed Code, Stipends are to be paid to enrolled CSLA students who meet the eligibility criteria as outlined in the Contract/Grant. A Coordination of Aid form must be submitted with each payment as required for coordinating with Financial Aid Administration.
If a Contract/Grant specifically allows for **non-CSLA students** to receive stipends, proof of enrollment must be submitted with each payment and the total calendar payments will be reported annually to the Federal government as Miscellaneous Income for tax purposes.

The Principal Investigator is responsible for ensuring stipend recipients meet full eligibility and for retaining documentation that proves eligibility.

Type of Payment	Required Supporting document	Required Paperwork
Cal State L.A. Students-Stipends	Coordination of Aid Form	Student Stipend Certification Form **(please indicate # of units)**
Tuition/Registration Fees for Cal State L.A. Students	Coordination of Aid Form Original paid receipt	Check Requisition

Important Notes:

CSU Chancellor's Executive Order 75-69 requires all scholarships, grants, stipends, and fellowships disbursed to student attending CAL State L.A. to be reported to the Center for Student Financial Services. The Coordination of Aid Form must be submitted first to the Financial Aid Center for approval. Please obtain this form from the Financial Aid Center. UAS accounting will not process any stipend payment to Cal State L.A.. Students without the approved white copy of Coordination of Aid form. Coordination of Aid must be renewed as applicable to match the period of payment on the stipend certification form.

Students receiving stipend payments are not employed by UAS, therefore any employee relations issues must be directed to the university.

6.2 Processing Check Requisitions

In order to process check requisitions most efficiently, the requisition form must be filled out completely. The second page of the e-form on UAS' website will have detailed information on how to complete the form. The required fields are clearly marked. Once all the required and supporting documents are received, as long as there are sufficient funds in the budget/account, the authorizing signature is verified, and the project date has not expired (applies to contracts and grants) a check is processed. Based on the method of delivery selected on the Check Requisition Form, UAS accounting will either mail the check to the P.I./account holder/vendor or hold it for pick up from UAS office on the third floor of the Golden Eagle Building. A valid picture ID is required for check pick-up. Unless a previous arrangement is made, checks will not be released without proper ID. Please note if the check is not picked up at UAS within 3 business days of notification, it will be mailed.

7. Processing Time

Check requisitions are processed within ten (10) working days. POs are processed within five (5) working days. Processing time may take longer due to the following:

Missing new vendor information
Incomplete Supporting document
Insufficient Funds in the budget account category
Unauthorized or Missing Signature
Expired Project **(Applies to Contracts and grants)**

8. Cal State L.A. Invoices

Some Projects and agencies use their grant or account funds to pay for phone, postage, copying, facilities, housing and other services on campus. Cal State L.A. Business Financial Services (ADM 514) prepares all the invoices for these services. The invoices are mailed to the P.I./account manager for payment. Please sign and return to the Business Financial Services. The invoices are then mailed to UAS for processing. UAS will not process the invoice unless an approval signature is on the invoice.

9.Financial Reporting

At the end of each month, the P.I./account manager will receive a report showing the financial status of the account(s).

The report for contracts and grants is called the "Organization Budget Status Summary" and it includes a detailed list of activities for the month.

The campus program account's monthly report is called: "Summary of Balance sheet Transactions". This report also includes a summary of all revenues and expenses and a detailed list of revenues and expenses.

10.Forms

The following forms (PDF Files) can be downloaded from our website.

1. Check Requisition Form
2. Expense Reimbursement Detail
3. Independent Contractor Form
4. Student Stipend Certification
5. Travel Approval Form
6. Travel Expense Claim Form
7. Purchase Order Requisition
8. Procurement Approval Request
9. Vendor Information Form