

Fiscal Affairs + Procurement

An overview for Responsible Officials for
Centers and Institutes

December 2018



Why we're providing this overview

- 2018 Audit (#1833) by the CSU Board of Trustees' auditors
- SFSU agreed to provide education and outreach efforts to Provide training and guidance to the appropriate RSO director, college, and accounting personnel to reiterate key campus procedures, including, but not limited to, fiscal processes and responsibilities, the proper execution of contracts and agreements, travel authorization requirements, and deposit procedures.



Responsible Officials

- Each Center and Institute typically has multiple individuals who have delegated fiscal authority to execute and authorize the fiscal operations and transactions of a Center or Institute.
- These individuals are referred to as the Center's or Institute's **Responsible Officials**.
- Responsible Officials must be informed of campus policies, practice directives, procedures, and protocols that govern how fiscal operations and transactions are administered.

Responsible Officials

- If you have received this overview or supervise an individual who has received this overview, you are considered a Responsible Official for a Center or Institute.
- You should review the contents of this overview to ensure you understand your responsibilities for the fiscal administration of your Center or Institute.
- If, after reviewing this overview, you have questions or concerns, please direct them to appropriate office(s) provided later in this overview.



Delegation of Fiscal Authority

What is it?

- Authority delegated to an employee to initiate and authorize expenditures, expenditure transfers, and payments to suppliers on behalf of the University for a specific funding source or a combination of funding sources.
- Delegated fiscal authority does **not** allow employees
 - To approve their own reimbursements or those of an immediate supervisor or any upper management in their reporting structure
 - To enter into contractual commitments with vendors. Signing contracts could potentially make an individual ***personally*** liable for such expenditures.



Delegation of Fiscal Authority (cont'd)

Executing fiscal authority is usually accomplished with a signature although some approvals are performed electronically. What the execution of fiscal authority means:

- The employee with fiscal authority understands what is being approved;
- Fiscal transactions comply with this University policies and practice directives;
- Sufficient funds are in the funding source (i.e. fund/department chartfield designation) to support expenses or budget allocation transfers included in the fiscal transaction;
- The information and supporting documentation is accurate and complete; and
- The funding source is appropriate for the expense or budget allocation transfer.



Policies and Practice Directives

Our policies and practice directives comply with laws, regulations, and policies issued by

- State of California
- CSU Chancellor's Office
- San Francisco State University

Additional regulatory and procedural requirements may apply as the result of a contractual agreement between the University and a third party.



Policies and Practice Directives

Key business processes governed by State, CSU, and SFSU policies and practice directives:

- Procurement
- Travel
- Hospitality
- Cash Management and Cash Handling
- University Accounting Services



Procurement

Procurement (housed in the Division of Business Operations) provides two primary services:

- Contracts administration
- Purchasing Services

Contracts administration

If a Center or Institute considers entering into a contractual agreement with a third party, the Responsible Official must inform Procurement.



Procurement (cont'd)

Expenditure contracts - the University or University unit (e.g. Center or Institute) will receive goods or services from a third party and the University is obligated to pay the third party for those goods or services

Revenue contracts - a third party will (or has) pay (paid) the University and a University unit (e.g. Center or Institute) is obligated to perform services or provide goods for the third party.

Payment Neutral contracts – a University unit and a third party exchange goods or services; however, there is no monetary exchange.

Procurement must be informed of all of these contract types!



Procurement (cont'd)

- The authority to sign contracts on behalf of the University (including University departments, centers, institutes, and units) is limited to small number of University employees.
- The Responsible Official for a University unit should not assume the official has this authority and should engage Procurement to determine how the contract should be negotiated, signed, and administered.
- As a state agency, the CSU and SFSU are subject to significant regulations and limitations regarding contracts – University employees must defer to Procurement in matters related to contracts.



Procurement (cont'd)

Purchasing

- There are multiple methods for purchasing goods and services. The University unit (e.g. center, institute) should use the most efficient purchasing method that meets the unit's needs and minimizes cost and risk to the University and University unit.
- As the monetary value, complexity, time commitment, and third-party involvement increase, the requirement for Procurement's involvement increases.
- Responsible Officials must ensure appropriate purchasing methods are used and determine when Procurement should be involved.

The following information pertains to specific purchasing situations.

Procurement (cont'd)

Purchasing Methods

- Procurement Card (P-Card)
- Employee/student reimbursement
- Petty cash
- Direct Pay
- Requisition



Procurement (cont'd)

Supplies (e.g. office supplies, computer accessories, and books)

P-Card

- University credit card issued to an employee responsible for ordering goods
- Cardholder must maintain itemized receipts and complete monthly reconciliation

Campus Marketplace

- “One-Stop” shopping website with preferred CSU suppliers and contract prices
- Staples Advantage is the CSU’s supplier for office supplies
- Pay orders with P-Card



Procurement (cont'd)

Supplies (cont'd)

Employee/Student Reimbursement

- For purchases paid out of pocket
- \$1,000 limit
- Itemized receipt required



Procurement (cont'd)

Supplies (cont'd)

Petty Cash

- For purchases under \$50
- Cash reimbursement to an employee
- Must provide original itemized receipt and completed Petty Cash form to Bursar's Office

Requisition

- For product not allowed in above 1 to 4
- Contracts and Purchasing Services will process request



Procurement (cont'd)

Services (e.g. advertisement, membership fees, registration fees, publications, subscriptions, editing/transcription (only off site) fees)

Direct Payment

- Specific types of services allowed
- Department performs the leg work to order from supplier (vendor), request invoices, and collect completed Supplier (Vendor) Data 204 Form, if a new supplier to SFSU.



Procurement (cont'd)

Services (cont'd)

Requisition

- Product not allowed or exceeds restrictions in Direct
- Payment Contracts and Purchasing Services will process request

Generally, if services require a third party supplier (vendor) to be on campus, a requisition is required. Check with Procurement for details.



Procurement (cont'd)

Equipment (e.g. computers, TV/monitors, drill press, vehicles)

P-Card

- University credit card issued to an employee responsible for ordering goods
- Limit \$5,000 for unit or parts
- Not related to Accessible Technology Initiative or IT Data Security terms are required
- Cardholder must
 - maintain itemized receipts
 - complete monthly reconciliation



Procurement (cont'd)

Equipment (cont'd)

Campus Marketplace

- “One-Stop” shopping website with preferred CSU suppliers and contract prices from suppliers such as Home Depot, B&H Photo, and HP
- Pay orders with P Card



Procurement (cont'd)

Equipment (cont'd)

Requisition

- Submit when equipment
 - is associated to Accessible Technology Initiative or IT Data Security terms are required
 - not allowed and/or exceed restrictions for P Card
- Contracts and Purchasing Services will process request



Business Travel

- The CSU Travel Policy applies to University employees, students and others traveling on official University business.
- **Travel must be authorized prior to incurring any travel-related expenses** (e.g. booking airline reservations, paying registration fees, pre-paying for hotel stays or other travel-related expenses).



Business Travel (cont'd)

- International Travel requires approval from the University President.

Note: *The University is currently implementing Concur, an automated travel system. As the system is implemented, Responsible Officials must ensure the CSU Travel Policy is followed*



Business Travel (cont'd)

Travel expense limits

- Meals - \$55 per day
- Incidentals - \$7 per day for more than 24 hour period
- Lodging- cannot exceed \$275 (excluding tax) per night unless approved by Vice President
- Mileage- 54.5 cents per mile for travel on or after 1/1/18
- Airfare – most cost-efficient cost that does not cause significantly, unnecessary inconvenience into the traveler.



Business Travel (cont'd)

Restricted Travel

- California Assembly Bill 1887, Section 11139.8
University funds cannot be used for travel to Alabama, Kansas, Kentucky, Mississippi, North Carolina, Oklahoma, South Dakota, Tennessee, and Texas with certain exceptions.



Business Travel (cont'd)

- Please refer to the University's Travel Center's webpage and Fiscal Affairs' webpage for information regarding travel.
- Out-of-pocket travel expenses incurred by travelers on official University business may only be reimbursed if the expenses comply with the CSU Travel Policy and are approved by an employee with appropriate Delegated Fiscal Authority.



Business Travel (cont'd)

- Responsible Officials for centers and institutes must ensure individuals who seek reimbursement from the University for travel expenses are informed of the CSU Travel Policy and reimbursed expenses comply with the policy's provisions.
- Exceptions to the CSU Travel Policy must be approved by a Vice President.



Hospitality

What is hospitality?

Entertainment Services

- Reasonable expenditures as part of a public purpose event includes, but is not limited to, equipment and venue rental, décor, music, and performers.

Food and Beverage

- The provision of meals (catered or restaurant) or light refreshments (beverages, hors d'oeuvres, pastries, cookies).



Hospitality (cont'd)

What is hospitality? (cont'd)

Gifts, Awards and Prizes

- Something of value given or bestowed upon an individual, group, or entity in recognition of service to the University or achievement benefiting the University with the expectation of benefit accruing to the University or for other occasions that serve a bona fide *business purpose*.

Promotional Items

- Items that display the name, logo or other icon identifying the university such as a keychain, coffee mug, calendar, or clothing; “give aways.”



Hospitality (cont'd)

If a **Responsible Official** hosts an event as the **Official Host**, the Responsible Official must

- Ensure the event (meeting), and related expenses, in the best judgment of the Official Host, serve a University business purpose;
- Ensure the hospitality-related expenses are reasonable (i.e. not extravagant) and necessary;
- For the payment or reimbursement, provide the business purpose, type of event, location, number of attendees and dates of each event; and
- Ensure the expenses are substantiated with supporting documentation.



Hospitality (cont'd)

If a **Responsible Official** approves Hospitality expenses the Responsible Official must

- Ensure the appropriateness of use and availability of funds;
- Ensure expenses are reasonable (i.e. not extravagant), necessary;
- Ensure the expenses are justified by a business purpose;
- Validate that the expenses listed were incurred and appropriate supporting documentation is attached to the payment or reimbursement claim; and
- Approve payment of the hospitality claim in a timely manner.



Hospitality (cont'd)

- Refer to the University's Hospitality practice directive and the FAQ for more information.
- An Official Host cannot be an Approving Authority for the same Hospitality expense.
- Official Hosts ensure events with Hospitality expenses will be approved by Approving Authorities – no surprises; expenses will not be paid or reimbursed if an Approving Authority does not approve them.



Hospitality (cont'd)

Maximum rates for hospitality (food and beverages)

- Breakfast \$20.00
- Lunch \$30.00
- Dinner \$50.00
- Light Refreshments \$15.00

For buffet-type receptions or meals, the expense cannot exceed the maximum rate. The maximum rate is inclusive of tax and service fees.



Cash Handling

- If a Center or Institute anticipates taking payments of any kind, the Responsible Official must contact the University Bursar.
- The University Bursar will instruct the Responsible Official on how to receive and deposit cash and cash equivalents (checks).



Cash Handling (cont'd)

- A Center or Institute that receives frequent payments must be certified as a satellite cash handling location.
- Satellite cash handling locations require training for employees who receive and manage payments and must have physical controls to protect cash and cash equivalents after they are received.



Cash Handling (cont'd)

- Cash and cash equivalents must be deposited as soon as practically possible.
- The University has **one** bank account. The use of any other accounts (e.g. personal bank account, campus unit-established bank account) is strictly prohibited.
- The University Bursar can provide good advice regarding the best way for centers and institutes to receive payments.



University Accounting Services

- If a Responsible Official for a Center or Institute has questions regarding financial transactions, the Responsible Official should contact University Accounting Services (UAS).
- If a Responsible Official thinks a financial transaction is in error, UAS can assist with research and analysis.
- Journal entry requests are processed by UAS and must comply with UAS practice directives.



Financial Systems

- Primary ones used for finance and procurement
 - Common Finance System (CFS)
 - Finance Data Warehouse
- Other applications used on campus
 - Campus Solutions
 - Student Fees
 - Academic records
 - HR Self Service
 - Employee information
 - Report time
 - CashNet
 - Used by Bursar's Office for processing payments and deposits

Financial Systems (cont'd)

Common Financial System (CFS)

- The official financial recordkeeping system
- Limited approval features
- Used by department to
 - P-card reconciliation
 - Check payment status of Direct Payment, Employee Reimbursement, and Purchase Order
 - Monitor activity of Requisition or Purchase Order
- Used by Finance areas to process requests



Financial Systems (cont'd)

Finance Data Warehouse (FDW)

- The financial reporting tool for departments
- Use FDW for
 - monitoring and reconciling financial transactions
 - budget projection
 - managing Purchase Order encumbrances
- Information is as of last business day



Expectations

Responsible Officials

- Are financial stewards for their Center or Institute
- Play an active role in managing their center's or institute's finances
 - Utilize the financial systems
 - Contact Fiscal Affairs with questions
- If your funds reside on the University side (state-side), refer to Fiscal Affairs for policies and practice directives.



Expectations (cont'd)

- If funds are being managed by an Auxiliary, work directly with them
- Ask questions when presented with a request to approve a purchase or payment
 - Does it meet SFSU policies/guidelines?
 - Was the proper procurement process used to fulfill request?
 - Is the expense necessary and reasonable?
 - Does your Center or Institute have sufficient funds to cover the expense?



Expectations (cont'd)

Chartfields

- Combination of codes used to record and identify financial transactions (e.g. fund, department)
- Each center or institute has its own set of chartfield codes to record financial transactions
- Do not use college or department chartfields when transaction belongs to center or instate
- Required for all financial transactions



Contacts

Fiscal Affairs (general email fiscaff@sfsu.edu)

- University Accounting Services, Sylvia Piao, University Controller (spiao@sfsu.edu)
- Accounts Payable (Travel, P-card, Hospitality), David Chelliah, Manager (chelliah@sfsu.edu)
- Bursar's Office, Eleanor Callado, University Bursar (ecallado@sfsu.edu)
- University Tax Services Young Kim, Tax Specialist (yskim@sfsu.edu)



Contacts (cont'd)

Business Operations/Procurement

Megan Dobbyn, Director, (mdobbyn@sfsu.edu)

***Please contact us if you have
questions.***

