



**MARS HILL UNIVERSITY  
BUSINESS OFFICE  
PROCUREMENT POLICIES &  
PROCEDURES MANUAL**

Approved as of December, 2017

**MARS HILL UNIVERSITY BUSINESS OFFICE POLICIES & PROCEDURES  
EFFECTIVE DATE December 2017**

**Revisions of these policies & procedures will be reviewed and updated as deemed necessary. MyMHU.EDU is the latest source for documentation and forms.**

**TABLE OF CONTENTS**

1. INTRODUCTION AND PURPOSE	p. 2
2. DEFINITIONS	p. 2
3. CONFLICTS OF INTEREST/ETHICS	p. 2-3
a. Conflict of Interest	p. 2
b. Business Ethics	p. 3
c. Consequences for Inappropriate Use of Mars Hill University Funds	p. 3
4. FUNDING SOURCES	p. 3
5. OPERATING BUDGET	p. 3
6. AUTHORITY AND RESPONSIBILITY	p. 4
7. SPECIAL REQUIREMENTS	
a. Charitable Contributions	p. 5
b. Departmental/Individual Memberships	p. 5
c. Consulting	p. 6
d. Employee Celebrations/ Gifts	p. 6
e. Flowers for Approved Occasions	p. 6
f. Student Prizes/Gifts	p. 6
g. Payments made to non-employee individuals	p. 7
h. Purchasing Items for Personal Use	p. 7
8. PURCHASING METHODS	p. 7
a. Purchasing through internal service providers/preferred vendors	p. 7
b. Demand check requests	p. 8
c. Cash Advances/Reimbursements	p. 8
d. Cash Advances turnaround time	p. 9
9. BUSINESS PROCESS	p. 9
a. Why Purchase Orders Are Necessary	p. 9
b. Requisition Approval turnaround time	p. 10
c. Purchase Requisition process	p. 10
d. Vendor Quotes	p. 11
e. Account Numbers	p. 12
f. Financial/Payment	p. 14
10. BUDGET MANAGERS REPORT MONITORING	p. 14

# **MARS HILL UNIVERSITY BUSINESS OFFICE POLICIES & PROCEDURES**

## **EFFECTIVE DATE December 2017**

### **INTRODUCTION AND PURPOSE**

Mars Hill University funds come primarily from tuition payments from students and from gifts from University supporters and alumni. As a result, it is incumbent on all Mars Hill employees to ensure that they spend University funds appropriately. The purpose of these policies is to ensure that MHU funds are used to support appropriate University business, ensure equitable treatment of employees and prevent inappropriate spending. This policy applies to all MHU employees and any other person authorized to spend funds on behalf of the university.

The policy applies to all expenditures including purchase requisitions, check requests, advances, reimbursements and credit card purchases.

### **DEFINITIONS**

**“Contract”** means an agreement usually greater than \$1,000 for the purpose of acquiring items of tangible personal property, capital assets or services. A contract normally follows as the product of a formal design or technical requirements document and a formal competitive selection process.

**“Purchase Requisition”** is the form used as the input document to prepare a Purchase Order (PO), which is the official authorization document to order goods or services from a vendor.

**“Purchase Order”** is the official document that provides authorization to vendors to deliver goods or services to an ordering department. Use of the Purchase Order provides the necessary accounting trail, receipt documentation and authorization to pay invoices.

**“Requestor”** is the authorized individual completing the purchase requisition for goods or services. The requestor must have a working knowledge of the MHU procurement policies and procedures before submitting a request.

**“Encumbrance”** is the amount committed by purchase orders that is deducted from the budget line in the department budget to actual reports.

### **CONFLICTS OF INTEREST/ETHICS**

#### **Conflict of Interest**

It is a conflict of interest to purchase a commodity or service from a University employee or his/her immediate family, or from a company of which the employee or an immediate member of his family owns more than a 1% of the stock, without written approval from the President. Immediate family is defined as spouse, and the employee or spouse’s children, parents, grandparents, and grandchildren.

It is acceptable to purchase goods or services from a trustee, donor, supporter, alumnus or other party with a close relationship with the University as long as an arm’s length relationship can be maintained with that party. In other words, their business is subject to the same rules for competition and contracting as are other non-affiliated vendors.

Faculty and staff who act on behalf of the University have an obligation to avoid activities or situations which may result in a conflict of interest or the appearance of conflict of

# **MARS HILL UNIVERSITY BUSINESS OFFICE POLICIES & PROCEDURES**

## **EFFECTIVE DATE December 2017**

interest. Employees must not use their positions to influence outside organizations or individuals for the direct financial, personal or professional benefit of themselves, members of their families or others with whom there is a personal relationship.

### **Business Ethics**

In order to avoid a conflict of interest or the appearance of a conflict of interest, at no time should an employee solicit or accept gifts from a supplier or contractor or from a potential supplier or contractor. Gifts which are promotional items without significant value (less than \$25.00) and which are distributed routinely by the supplier to clients, are also acceptable. Gratuities or gifts of money to an employee cannot be accepted at any time. Never accept any money, commission, object of value, offer of employment or compensation of any kind which is provided or offered directly or indirectly by a supplier, contractor or subcontractor for the purpose of obtaining favorable treatment in connection with a purchase.

### **Consequences for Inappropriate Use of Mars Hill University Funds**

Employees who spend University funds inappropriately, as defined in this policy, as well as managers who approve such expenditures, will reimburse the University, and may also be subject to disciplinary action.

### **FUNDING SOURCES**

An important factor in MHU's Procurement policy is that offices and departments are only permitted to purchase what is approved in the annual budget. **ALL FUNDS** deposited with the University, regardless of source, are University funds and must be handled in accordance with the University policy. University policy applies to all grant, agency, professional development and budget accounts.

### **Operating Budget**

Budget managers are responsible for ensuring the availability of funds prior to the purchase of or the awarding of a contract for supplies, materials, equipment, or contractual services for the University. Purchasers may not commit funds under the management of other offices (i.e. you cannot spend other people's money). Purchase action may not be initiated in the anticipation of funding that may be provided at some future date. It is the Department Head's responsibility to periodically review their departmental budget reports. There are some non-operating restricted funds that have budget managers. These funds should have sufficient balance before expenses can be incurred.

Unbudgeted or "over budget" expenditures are considered an extraordinary situation and must be specifically approved by the Vice President of Finance & Facilities Management and the President.

### **AUTHORITY AND RESPONSIBILITY**

#### **Purchase Authorization**

A person must have specific authority to obligate the University to procure goods and services. Any purchase by University faculty or staff members without prior consent by the appropriate approver

**MARS HILL UNIVERSITY BUSINESS OFFICE POLICIES & PROCEDURES**  
**EFFECTIVE DATE December 2017**

will be the sole responsibility of the person making the unauthorized purchase. Depending on the circumstances, employees making unauthorized purchases may be subject to disciplinary action.

<b>Amount</b>	<b>Type</b>	<b>Authorization</b>
\$0 - \$200	One-time/non-recurring	<b>Budget Manager</b>
\$201 - \$500	One-time/non-recurring	<b>Presidential Direct Report/ Controller</b>
\$501 - \$1,000	One-time/non-recurring	<b>VP Finance &amp; Facilities Mgmt</b>
\$1,001 – or greater	All	<b>President</b>
Any amount	Memberships	<b>President</b>
Any amount	Instructional--federal/state/foundation grants	<b>VP Academic Affairs</b>
Any amount	Construction/Non – ITS Equipment	<b>Director of Facilities/ VP Finance &amp; Facilities Mgmt</b>
Any amount	Athletic transactions – including purchase requisitions, invoices, expense reports, travel requests, recruiting travel, all check requests, any additional payroll request, credit card statements	<b>President</b>
Any amount	ITS Equipment	<b>ITS Director</b>
Any amount	Direct report credit card statements	<b>President</b>
Any amount	Direct report travel expense reports	<b>President</b>
Any amount	Facilities blanket purchase orders	<b>VP Finance &amp; Facilities Mgmt</b>
\$201 or greater	Bus Office purchase requisitions and invoices	<b>VP Finance &amp; Facilities Mgmt</b>
\$501 or greater	Travel expense reimbursements	<b>VP Finance &amp; Facilities Mgmt</b>
Any amount	Contracts/leases or commitments	<b>President or VP Finance &amp; Facilities Mgmt</b>
\$1,001 or greater	Check requests	<b>VP Finance &amp; Facilities Mgmt</b>
Credit card Statements	All	<b>VP Finance &amp; Facilities Mgmt</b>
\$5,000 or greater	Vendor Invoices	<b>VP Finance &amp; Facilities Mgmt</b>
\$1,500 or greater	Travel reimbursement requests	<b>VP Finance &amp; Facilities Mgmt</b>

No individual except as indicated above has the authority to obligate the University in any way for goods and services. Individual department heads and senior staff members may establish authorization levels stricter than those specified at their discretion. These changes should be documented and submitted to the Business Office. Delegation of approval authority by a leadership team member must be approved by the President, documented, and provided to the Business Office.

**Responsibility**

Employees involved in the purchasing process take full responsibility for understanding the policies and procedures regarding purchasing and vendor relations.

# **MARS HILL UNIVERSITY BUSINESS OFFICE POLICIES & PROCEDURES**

## **EFFECTIVE DATE December 2017**

- Each department should determine the source and availability of funds prior to initiating or submitting a purchase request.
- The University's forms must be completed, approved and signed in advance of all commitments of expenditures.
- All purchases of goods and services, including contracted services, must be authorized by and signed by the appropriate approver, prior to delivery of goods and services.

**Capital Expenditures** Capital Expenditures are generally defined as expenditures of \$1,000 or greater for equipment, furnishings, buildings, and building repairs. Purchases of items that do not exceed \$1,000 should be budgeted for in the department's operating budget. The annual budget request cycle includes a process for budget managers to request funding for capital improvements.

Examples of capital expenditures:

- a) Furniture (office, classrooms, conference rooms, public spaces)
- b) Equipment
- c) Building systems (fire, mechanical)

### **SPECIAL REQUIREMENTS**

#### **Charitable Contributions**

The authority to use University funds for charitable contributions shall rest in the President's Office. Individuals or departments may not make donations utilizing University funding.

#### **Departmental/Individual Memberships**

Requests for memberships should be submitted with your annual budget package under the "Memberships" budget line. The University will pay for reasonable departmental memberships; also, reasonable individual memberships may be purchased by the University if they relate to legitimate business needs or position requirements. Some examples include memberships in professional organizations or purchasing organizations which provide benefit to the University. However, individual memberships which primarily provide personal benefit to the individual, not the University, will not be purchased with University funds. Professional Development Funds may be used for individual memberships in professional organizations which provide benefit to the University. All memberships require President's approval.

#### **Consulting**

All paid consulting arrangements will be executed by formal contract. The contracts must be signed by the Vice President of Finance & Facilities Management or the President. The IRS W-9 form must be included for all agreements. No work is to be performed by the consultant before a signed agreement

# **MARS HILL UNIVERSITY BUSINESS OFFICE POLICIES & PROCEDURES**

## **EFFECTIVE DATE December 2017**

is in place. A purchase requisition needs to be submitted for tracking the encumbrance in the accounting system.

### **Employee Celebrations/ Gifts**

This includes gift cards, given to anyone for occasions such as birthdays, weddings, Christmas, baby showers, or any similar event will not be reimbursed. The use of departmental funds for this purpose is prohibited. Employees that have graduated from MHU while employed may receive a token appreciation of their achievement.

### **Flowers for Approved Occasions**

The purchase of flowers for certain approved occasions (birth, get-well, and death, etc.) must be submitted to the President's office for approval and processing on behalf of the entire University community. The use of departmental funds for this purpose is prohibited. The VP for Advancement may authorize the purchase of flowers for stewardship purposes/donor relations.

### **Student Prizes/Gifts**

Student employee appreciation events may be held and the use of University funds is appropriate for reasonable low-cost food, non-alcoholic beverages or other notional item **only** with approval of the appropriate Division or Department Head.

University funded expenditures for gift cards or gift certificates to student employees as a token of appreciation for their work **are not acceptable**, per IRS regulations.

#### ***Examples of Inappropriate Expenditures:***

**Parties, Receptions, or Other functions for Individuals**—University funds **may not** be used for non-work related, achievements, events, or receptions for individuals, such as baby showers, wedding showers, housewarmings, or similar activities that are of a personal nature and that are not related to University business. University funds may not be used to purchase individual gifts or gift cards/certificates for such personal celebrations. Spending for non-work related achievements, events, receptions, or gifts **for individual colleagues should come from fellow employees**. However, using University funds for **reasonable** low-cost food and non-alcoholic beverages and cards are acceptable for “group birthday celebrations” as part of a monthly departmental staff meeting.

**Alcoholic Beverages**—University funds may not be used to purchase alcoholic beverages.

#### ***Exceptions to student prizes/gifts***

Gift cards or certificates **may be used as thank-you gifts, prizes, or rewards only to:**\*

**Non-employee guest speakers** less than \$75

**Non-employee students** for campus-wide academic or co-curricular achievements, contests, or competitions; and to provide incentives for participation in student activities and events.

# **MARS HILL UNIVERSITY BUSINESS OFFICE POLICIES & PROCEDURES**

## **EFFECTIVE DATE December 2017**

**Note:** Students who also happen to be employees may accept gift cards or gift certificates **as long as they are “not connected to the employment relationship” but rather part of a contest or raffle at a student event).**

All prizes, gift cards, gift certificates are limited to \$75. University funded expenditures for gift cards or gift certificates to student employees as a token of appreciation for their work **are not acceptable**, per IRS regulations. Gift cards redeemable for cash are not allowed.

### **Payments made to non-employee individuals**

Payments for services are made to individuals who are not affiliated with a registered corporation, partnership or may receive payments through the accounts payable system. For example, speakers receiving honoraria; sole proprietor consultants; performers and other individuals performing one-time services. For tax purposes, such payments are reported to the individual and the Federal Government via IRS form 1099. In order to pay an outside vendor/honoraria for services, the IRS W-9 form must be completed to collect the above information. Payments to individual service providers will not be paid through petty cash. Purchase order approval and checks will not be issued without the above information.

### **Purchasing Items for Personal Use**

Using the University’s purchasing system to purchase materials, supplies, or equipment for personal use is strictly prohibited. Should a personal purchase happen in error, individuals are required to reimburse the University within 15 days of the charge. If the reimbursement is not made within 30 days, the individual will be subject to disciplinary action. Exercise diligence when purchasing items via personal credit card for reimbursement. The shipping address must be MHU campus.

## **PURCHASING METHODS**

### **Purchasing through internal service providers/preferred vendors**

The University has elected to provide for the purchase of certain commodities and services through internal departments or on account with certain vendors. Some of these include travel services, printing, duplicating, internal moves and mail services. Others include Facilities Management providing physical plant and architectural services, as well as ITS providing data and telecommunications services. University buyers are encouraged, and in some cases required, to purchase their supplies and services from service departments located on the campus. This list is updated periodically and is subject to change. Please review MHU.edu for the latest list.

<b>PURCHASE ITEM</b>	<b>VENDOR</b>	<b>UNIVERSITY CONTACT</b>
<b>Car/Van Rental</b>	<b>ENTERPRISE</b>	<b>FACILITIES MGMT</b>
<b>Carter-Humphrey House Rental</b>	<b>n/a- internal</b>	<b>Fifi Degroot</b>
<b>Office Supplies</b>	<b>Office Depot</b>	<b>Dept Assistant</b>
<b>Copies</b>	<b>n-/a internal</b>	<b>Copy Center – Lara Coomer</b>
<b>Misc Supplies</b>	<b>n/a internal</b>	<b>Bookstore – Darryl Norton</b>



**MARS HILL UNIVERSITY BUSINESS OFFICE POLICIES & PROCEDURES**  
**EFFECTIVE DATE December 2017**

<b>Building/Facilities supplies</b>	<b>Lowe's/ Mars Hill Hardware</b>	<b>Donald Edwards</b>
<b>Postage</b>	<b>n/a - internal</b>	<b>Mail room - Pat Hagerman</b>
<b>Computer Software/ Equipment</b>	<b>Multiple vendors</b>	<b>ITS</b>
<b>Catering/Food Services</b>	<b>Chartwells</b>	<b>Curtis Ray</b>
<b>Cell Phone</b>	<b>US Cellular</b>	<b>ITS</b>
<b>Custom Printing</b>	<b>Multiple vendors</b>	<b>Marketing &amp; Communications approval</b>
<b>Furniture Moves</b>	<b>n/a internal</b>	<b>Facilities Management</b>
<b>Printer/Copy Paper/Toner Supplies</b>	<b>Multiple</b>	<b>ITS except for copiers under Sharp equipment lease</b>
<b>Sharp Printer/Copy Paper/Toner Supplies</b>	<b>Sharp</b>	<b>Copy Center - Lara Coomer</b>

**Demand Check Requests**

Demand Check Requests are for honorariums, subscriptions and employee cash advances greater than \$200. Check requests can be picked up in the business office. Departments should not use Demand Checks to purchase equipment, supplies and services ordinarily acquired through the purchase order process.

**Cash Advances/Reimbursements**

For small purchases \$100 or less, the cash advance or if after the fact the cash reimbursement form may be used for one-item purchases. Employees must timely submit an employee travel/expense reimbursement form reporting on the expenses incurred with detailed receipts.

Check and cash advances must be reported on within 10 business days of receiving the advance. If you are returning money less than \$50, please hold submitting the money with the paperwork. The business office will review and email when the reporting is complete.

**Cash Advance Turnaround Time**

Please allow for 5-7 business days to receive a cash advance. If you know in advance that you will need multiple cash advances over the course of a semester – for example, a coach for away travel games – you may turn in these cash advance check request to the business office with the appropriate date needed. These will be processed according to the schedule.

Cash Advances from petty cash will be processed on Tuesday and Thursdays. Advances via check requests will be available on Fridays.

# **MARS HILL UNIVERSITY BUSINESS OFFICE POLICIES & PROCEDURES**

## **EFFECTIVE DATE December 2017**

### **BUSINESS PROCESS**

#### **WHY PURCHASE ORDERS ARE NECESSARY**

A purchase order assists budget management. Following Business procedures assists in spending your department's budget most effectively. Purchase orders also create a budgetary commitment, which helps to prevent an unexpected shortage of funds at the end of the fiscal year. A purchase order also is necessary to track orders.

Following business office procedures generally results in faster delivery times and prompt payment of your orders because a purchase order is the only way business office and your department can track the order. Additional workload is created when an order is placed without following the Business procedures and can result in a delay in payment. A purchase order, or check request are the only authorized methods of purchasing goods or services for the University.

Do not make any commitments of MHU funds yourself by placing an order or signing a contract without following Business office procedures. You could be held legally liable and responsible for payment of unauthorized purchases. Note that an "after-the-fact" purchase order cannot be issued after placing an order with a vendor. Purchase orders are not required for purchases under \$200. Attempts to circumvent the purchasing process may be subject to disciplinary action. Items purchased under contract often have associated installation, training or maintenance costs. Purchasers should exercise care to ensure that sufficient funding is available to offset those costs both at the point of acquisition and on an ongoing basis.

The President and the VP of Finance & Facilities Management will determine whether the documentation is satisfactory for bidding, proposals or negotiation and whether the documents are sufficient to create an adequate contract document. Legal review is often necessary. If the contract is part of an externally sponsored grant or contract, the grant manager should review and confirm for specific grant stipulations. Contracts will be signed by the President and/or the VP Finance & Facilities Management. All contracts will need approved purchase order to track the encumbrance in the accounting system.

#### **REQUISITION APPROVAL TURNAROUND TIME**

Business office approves a requisition by confirming that adequate information, specifications, and backup information are included. Business office will email the approved purchase order to the requestor. The business office may contact the requestor if additional information is necessary. Please allow up to 10 business days from the start of submission of the requisition through receiving the approved purchase orders.

#### **PURCHASE REQUISITIONS PROCESS**

A Purchase Requisition is the form that is utilized to prepare a Purchase Order.

1. Requestor enters the requisition information into the Purchase Requisition form.

## **MARS HILL UNIVERSITY BUSINESS OFFICE POLICIES & PROCEDURES**

### **EFFECTIVE DATE December 2017**

2. Requestor prints the form and submits to an approver.
3. Approver signs the form.
4. Requestor submits approved requisition form and supporting documents to the Business Office (Purchase Request/Purchase Order).
5. Business office reviews, processes the request, and creates a Purchase Order if needed.
6. Business office distributes the PO to the requestor and requisitioning department.

After receiving the approved purchase order, the appropriate buyer may place the order as per the approved amount. Any deviation from the original purchase order is prohibited with exception to a 10% allowance in total amount. If circumstances arise that a modification to the original purchase order need to be made, a new purchase requisition should be submitted with the updated information for approval.

Purchase Orders provide authorization to outside vendors to deliver the goods or services to the ordering department. Use of the Purchase Order provides the necessary accounting trail, receipt documentation and authorization to pay invoices.

If submitting a purchase order for approval but plan to be reimbursed via an expense report, submit your name in the vendor section with the name of the company purchased from in the description section.

The purchase order should include:

1. Appropriate approval signatures
2. The appropriate accounting data (department and object code)
3. Project name and number, if applicable
4. Project coordinator name and phone number
5. Address and person the invoices should be directed to
6. A message to the contractor stating that invoices must include Purchase Order #/Contract #, and Project #

Departments/Budget managers are not authorized to:

1. Instruct the consultant, contractor, or service technician to start work before the agreement is fully executed and the purchase order issued.
2. Change the scope of the agreement without following the formal purchase document amendment process.
3. Direct the consultant, contractor, or service technician to perform work that is not specifically described in and funded by the agreement.
4. Extend the time period of the agreement without execution of an approved amendment or purchase order revision.

## **MARS HILL UNIVERSITY BUSINESS OFFICE POLICIES & PROCEDURES EFFECTIVE DATE December 2017**

5. Allow the consultant, contractor, or service technician to incur any additional costs over the limit set by the agreement.

6. Sign an agreement unless explicitly authorized by the President.

### **Purchase Order Changes Requests**

If there is a need for cancellation or modification of Purchase Orders must be submitted to [purchasing@mhu.edu](mailto:purchasing@mhu.edu) in writing (email is acceptable) by an authorized department representative stating the reason for the change, as well as, referring to the Purchase Order number and the supplier involved. This policy particularly applies to those circumstances where increase in the dollar amount of the order is required. Written approval for increases in PO amounts must be from the budget manager and must be approved the President for items totaling over \$1,000. No changes to the Purchase Order amounts will be made without this documentation. If you need to made a change to a vendor after an approved purchase order is received you will need to cancel that purchase order and submit a new purchase requisition.

## **VENDOR QUOTES**

### **Small Purchases (< \$1,000)**

Purchases under \$1,000 require little formal documentation; they are likely to be purchases, with prices that are readily available from many vendors. A copy of prices checked from a catalog, internet or sales rep should be attached to the purchase requisition. Conduct all business transactions in a manner that maximizes opportunities, increases quality (if a factor), and reduces the cost of the purchase.

### **Medium/Small Purchases (\$1,000 to \$5,000)**

Purchases from \$1,000 to \$5,000 should have written quotations and simple purchase or performance descriptions. Inquire in the open market to ensure an advantageous price and quality. The purchase requisitions should document the inquiries made and offers received from at least three sources.

### **Medium/Large Purchases (\$10,000 to \$150,000) – Up to the “Simplified Acquisition Threshold” (currently \$100,000)**

Purchases from \$10,000 to \$150,000 should be treated more formally, though the acquisition procedures can still be somewhat streamlined. Purchases over \$10,000 require greater documentation of cost allowability, review, and the vendor selection.

Request competitive quotes, in writing, from at least three different sources. The file shall document each invitation made and offer received. Document Prices: Maintain files on all quotations solicited and offers or bids received and any criteria for selection. In all instances in which the lowest bid is not awarded in the contract, justification for the selection must be contained in the file.

# **MARS HILL UNIVERSITY BUSINESS OFFICE POLICIES & PROCEDURES**

## **EFFECTIVE DATE December 2017**

### **Multiple Vendor Quote Exceptions**

There are some circumstances where competition is not needed or is not appropriate. These include on-going, multi-year professional services agreements and situations where there is only a single or sole source for the product or service.

#### **1. Multi-year agreements**

Certain agreements for professional services that typically span multiple years such as legal, audit, investment management, food services, health service, etc. do not need to be re-competed on a recurring basis. These arrangements are, however, still subject to periodic review and competition where and when appropriate.

#### **2. Sole source provider**

A sole source provider is one who is the only practical option for a good or service to be used by the University.

Examples of legitimate sole source vendors include:

- a. Only a particular brand or "make" is compatible with existing equipment or inventory.
- b. Only one supplier is capable of providing the required goods or service.
- c. An emergency condition exists which makes soliciting three bids impractical.
- d. Warranty provisions demand parts or interfacing items offered by a particular manufacturer.
- e. A specific source is mandated by law, regulation, donor specification or terms of a grant. Use of a sole source provider must be specified with the purchase request along with a written justification.

### **ACCOUNT NUMBERS**

The Business office is responsible for establishing account and department numbers. Department numbers represent the source of funds by department. Account numbers represent the type of revenue or expense to be transacted to each department. Each department is assigned an account/department number(s) in order to detail and control expenditure activity for their area(s) of responsibility. All Purchase Requisitions must carry the complete 15 digit account number to be charged in order that required approvals may be obtained prior to its receipt in the business office for proper encumbrance and payment once the procurement process is complete.

### **FINANCIAL/PAYMENT**

After good/services are received, submit a signed invoice to document approval for payment. If Business procedures are followed, Accounts Payable pays for the order within MHU University's payment terms. Accounts Payable will question all bills that cannot be associated with an authorized purchase order. They also will question any expense reports that include the purchase of equipment, software, or other goods and services that would normally require a purchase order. Additional documentation may result in a delayed payment.

Checks are processed on Friday for pick up. An email will be sent if you have requested to pick up the check. Due to the volume of transactions, off-cycle processing of checks will not be accommodated.

**MARS HILL UNIVERSITY BUSINESS OFFICE POLICIES & PROCEDURES**  
**EFFECTIVE DATE December 2017**

BUDGET MANAGERS REPORT MONITORING

Budget managers need to review the encumbrances and actual expenses via the online reporting (Synoptix) at least on a monthly basis. Any corrections/questions should be addressed in a timely manner. This is a critical component to ensure that accounts are appropriately charged. Any changes in budget managers' report access should be the appropriate leadership team member.