

Purchasing Information

The following applies to all purchases:

- Purchases under \$5,000 should be executed in the best interest of the college. Staff should compare prices, vendors, and product/service options to assure financial resources are used in a responsible manner.
- Purchases over \$5,000 require quotations unless a current state contract is utilized. Purchases over \$5,000 must be prepared on forms approved by the system office. If you estimate the purchase to be over \$5000 you must contact the Purchasing Office for proper MNSCU procedures (733-5976).
- Purchases over \$25,000 require sealed bids. If you estimate the purchase to be over \$25,000 you must contact the Purchasing Office for proper MNSCU procedures (733-5976).

There are additional purchasing requirements which are published in MNSCU Procedure 5.14.5, please contact purchasing if you have any questions regarding a purchase.

Purchase Orders: Purchase orders are required to initiate a purchase of goods or services. Purchase orders are created in ISRS beginning with the PC0031UG screen. If you do not have access to PC0031UG contact the purchasing office (733-5976). If you do not know how to enter electronic purchase orders you may contact the purchasing office for instructions or have the divisional secretary assist you.

Please provide complete information on the purchase order (who, what, where, when, etc...). Your name should be included on the "Delivery terms" field. Be sure to use the correct object code, if you are unsure contact the purchasing office.

Once the purchase order has been created in ISRS the following applies:

- The electronic purchase order is then viewed by the supervisor.
- The supervisor will approve or deny the purchase order. Upon approval the purchasing will review the purchase order for completeness and correctness. You will be notified if any further action is required.
- Purchasing will generate the purchase order (paper). The original (white copy) is forwarded to the vendor (if FAX is preferred please give FAX number). A green copy is returned to the originator and a yellow copy to accounts payable.

Exceptions to the standard LSC purchase order:

1. Central Stores and/or the ISD 709 storeroom now accept the standard LSC purchase order. Therefore, an alternate requisition form is no longer required.
2. When a vendor will not accept a purchase order the following procedure applies:

- Purchasing will obtain a statement from the vendor verifying the vendor will not accept State of Minnesota purchase orders. Purchasing will determine if another other vendor can reasonably provide the product or service.
 - If purchasing deems no other vendor can provide the product or service purchasing may suggest the individual request use of the campus corporate Visa Card.
 - Purchases approved for payment utilizing the campus Visa Card still require a purchase order using the LSC Corporate Visa Card as the vendor. Purchasing will attach the vendor statement to the purchase order when forwarding the approved purchase order to accounts payable. Accounts payable will process the payment to the credit card upon receipt of an invoice and/or confirmation that the charge has been placed.
3. All other exceptions must be approved by the Business Office prior to creating an obligation.

Contracts for Vendors: Service contracts are required for non-tangible services such as consulting, writing, legal, educational, instructional, professional, and technical services when the cost is greater than \$200. Contact purchasing at 733-5976 to obtain contracts or with any questions regarding contracts.

Funds must be encumbered prior to making any obligation. **An expenditure or obligation authorized or incurred prior to encumbering funds is illegal and ineligible for payment until made valid and is in violation of M.S. 16A.15,Subd.3 (Exhibit C). Any person authorizing or making the payment, or taking part in it, is liable to the state for the amount paid.** A knowing violation of M.S. 16A.15, Subd.3 is just cause for progressive discipline.

Equipment Inventory and Fixed Assets

All equipment items with a purchase price greater than \$5,000 must be tagged “Property of the State of Minnesota” and entered into the State of Minnesota Fixed Asset System. The requirement also applies to all computer purchases (regardless of purchase price) and to items with a purchase price less than \$5,000 identified as “sensitive”. Equipment meeting the guidelines above is subject to the following receiving, relocation, and disposition requirements.

Receiving equipment: The Receiving Office is responsible for all shipments into and out of the building. Shipments received at the dock are processed by dock personnel and

distributed throughout the school. Never remove shipments from the dock area without obtaining approval from dock personnel.

- The receiving clerk verifies all incoming shipments are complete and goods received are in good condition (not damaged).
- The receiving clerk obtains any packing slips (or invoices) enclosed/attached to the freight and submits them to accounts payable on a daily basis.
- The receiving clerk tags equipment items “Property of the State of Minnesota” as identified by purchasing staff & completes the asset information form for each asset. The asset information forms are returned to accounts payable staff on a daily basis.

The receiving clerk will deliver items to the appropriate location only after completing steps 1-3 above.

Accounts payable staff enters items into the equipment module after receiving the complete asset information from receiving. All items entered into the equipment module are subject to annual physical inventory and therefore maintaining accurate records of asset location is important.

Movement and tracking equipment: Items entered into the equipment module must be tracked for physical inventory purposes. If equipment identified with a “Property of the State of Minnesota” tag is moved during the year the equipment must be returned to its original location or accounts payable staff must be notified of the new location. Failure to inform accounts payable staff of asset relocations or return equipment to the original location will result in inventory discrepancies, notifications to management, and possible disciplinary action if the item is not located during the physical inventory. The following procedures apply to computer and audio visual/media equipment:

- Computers will be moved ONLY by computer technicians. Computer technicians are responsible for the location, movement and disposition of all computer equipment.
- Computer technicians are responsible for submitting to accounts payable documentation relating to the movement of all computer equipment on a weekly basis.
- Computer technicians are responsible for submitting to purchasing documentation relating to the disposition of all computer equipment on a weekly basis.
- Audio visual equipment will be moved ONLY by ITV/media staff. The ITV/media staff will be responsible for the location, movement and disposition of all audio visual/media equipment.
- ITV/media staff is responsible for submitting to accounts payable all documentation relating to the movement of all audio visual/media equipment on a weekly basis.

- ITV/media staff is responsible for submitting to purchasing all documentation relating to the disposition of all audio visual/media equipment on a weekly basis.

Purchasing will verify all disposition information and forward to accounts payable all disposition information received within 2 days. Accounts payable will enter the movement information within 2 days of receipt from purchasing.

Equipment disposal: Equipment tagged “Property of the State of Minnesota” must follow these disposition guidelines of to assure equipment inventory records remain accurate and to assure compliance with State of Minnesota disposition requirements:

- Computers and audio visual equipment will be coordinated through purchasing by computing and ITV/media staff.
- All other equipment dispositions will be coordinated through purchasing, therefore purchasing must be notified when any item is to be disposed. Purchasing has the appropriate asset disposition forms available. When completing the form include the asset number from the “Property of the State of Minnesota” tag, location of equipment, and the reason for disposition. Purchasing will arrange for equipment to be removed.

Purchasing will verify equipment disposition information and notify accounts payable. All items to be removed must have the State of Minnesota disposition form completed prior to removal from the inventory records. Accounts Payable will enter the final transaction in the State of Minnesota Fixed Asset Module to remove the equipment from inventory.

Inventory: All tagged equipment must be accounted for during a physical inventory. All tagged items are assigned to a room. Staff conducting the inventory must locate all items during the physical inventory. When items are not located in the assigned room the personnel assigned to the room will be responsible. **NO EQUIPMENT PURCHASED WITH STATE OF MINNESOTA FUNDS BECOMES THE PROPERTY OF THE INDIVIDUAL.**

Accounts Payable

Payment for products and services: All payments will be processed within 30 days as required by the State of Minnesota according to the following procedure:

Invoices: Vendors should submit invoices to accounts payable. Accounts payable will forward each invoice to the originator. Upon receipt the originator should:

- Review the invoice to verify that services and or products have been received.
- Indicate the date services and or products were received.
- Sign, date and mark invoice “ok to pay”

- Return to accounts payable for processing

Accounts payable will submit payment to the vendor only upon receipt of the approved invoice. Therefore, staff must review and approve/deny invoices in a timely manner. Any questions should be directed to accounts payable at 733-7648.

Packing slips: Vendors will often include a packing slip with the shipment. Packing slips are forwarded to accounts payable by receiving staff when shipments are processed. Packing slips are verification the shipment has been received. Accounts payable will not forward invoices to the originator when a packing slip is present and matches the invoice, instead accounts payable will process payment. Any questions should be directed to accounts payable at 733-7648.

Prepayment: Prepayment of products and services is not permitted for any expense (except subscriptions, software, and memberships that have an invoice or an amount due clearly stated).

No payment will be processed from just a purchase order, or from any “special handling instructions” included on a purchase order. An invoice must be provided with authorization to process payment.

Employee Travel Procedures

All travel at state expense must be incurred for the primary benefit of the college. Lake Superior College has adequate teleconferencing and video conferencing facilities as a viable alternative to travel. Should travel be necessary the following policy applies.

Approval: All travel must be authorized and approved prior to creating any travel arrangements.

- In-state travel can be authorized verbally by the employee’s supervisor, provided the supervisor is authorized to approve purchase orders. Many border communities are considered in-state such as Duluth-Superior or Fargo-Morehead. All supervisors must verify adequate budget is available to pay travel expenses prior to authorizing travel for an employee. Supervisors should request cost estimates to assure funds are available. Employees should always provide an agenda if available to document the cost estimate.
- Out-of state travel must be approved in writing by the President or a Vice-President. Forms are available in the Business Office. A signed copy of the authorization must accompany any reimbursement request. All supervisors must verify adequate budget is available to pay travel expenses prior to authorizing travel for an employee. Supervisors should request cost estimates to assure funds are available. Employees should always provide an agenda if available to document the cost estimate.

Travel Arrangements: Travel arrangements should be made with the goal of maximizing the use of campus financial resources. Purchase orders are required for all airfare, lodging, and conference registration costs. See **“Exceptions to the standard LSC purchase order”** for instructions when a vendor will not accept a purchase order.

- **Fares:** Employees should secure the lowest fare available. Arrangements should be made early enough to take advantage of purchase discounts when possible. Travel insurance coverage is not a reimbursable expense. Upgrades are not permitted. Lost baggage & excess baggage fees are not reimbursable travel expenses.
- **Lodging:** The lowest, government rate available should be secured at a reasonably priced licensed lodging facility. Additional miscellaneous charges included with the room are generally not reimbursable unless necessary for business purposes.
- **Conference Fees:** Employees are encouraged to take advantage of early registration discounted rates when available. Obtain a conference agenda to submit with your reimbursement.

All other travel expenses require a purchase order, can be paid directly by the employee, and will be reimbursed according to the procedure described below.

- **Personal Vehicle Usage:** Use of a personal vehicle for travel is acceptable. Mileage is reimbursable based on respective bargaining agreement mileage rates. Mileage claimed may only include necessary mileage for business purposes. Personal mileage while in travel status is not reimbursable.
- **Rental Vehicle:** Rental vehicles are acceptable provided the type of trip or location of meetings is such that use of local transportation (taxi, airport shuttles/limousines, buses, etc...) is not practical or more expensive. Rental vehicles shall be rented at the lowest possible rate. Employees shall use compact or mid-size/intermediate rental vehicles subject to the following exceptions:
 - The number of passengers is three or more and additional space is necessary
 - Excess baggage for official business requires a large vehicle (booth displays, sales items, large instructional or presentational items, etc...)
 - A larger vehicle is provided at no additional charge above the compact or midsize rate

For travel within the United States, employees shall decline rental vehicle insurance as the state has provisions for insuring rental vehicles through the Risk Management Division. For international travel employees should accept all rental vehicle insurance coverage. Insurance coverage purchased in foreign countries is reimbursable.

All vehicle rental reservations are made through Enterprise Rent-a-car at 722-5800. To reserve a vehicle you must be an employee or a student of Lake

Superior College and be at least 21 years old. (Student travel guidelines can be obtained in the Student Life Office).

- Meals: To claim breakfast you must be in travel status before 6:00 a.m. and to claim dinner you must be in travel status after 7:00 p.m. Times of travel must be listed on your reimbursement or meals will not be reimbursed.

Reimbursement of Travel Expenses: Employees shall be reimbursed for all reasonable and necessary expenses while traveling on authorized business. Request for reimbursement shall be submitted on an Employee Expense form.

- Receipts: Original itemized receipts are required for all expenses except meals or as required in collective bargaining agreements or compensation plans. Cancelled checks and copies of credit card bills do not substitute for original receipts. Employees may file a notarized affidavit in lieu of a receipt if the original receipt is lost or was not obtained. If in doubt, always obtain a receipt for any expense you plan to claim on your expense form.
- Miscellaneous reimbursable expenses:
 - Documented personal telephone calls if allowed by collective bargaining agreements or compensations plans
 - Laundry and dry cleaning for individuals in travel status in excess of one week without returning home shall be reimbursed actual cost not to exceed applicable collective bargaining agreements or compensation plans for laundry and dry cleaning for each week after the first week.
- Non-reimbursable expenses:
 - Alcoholic beverages
 - Late payment fees or interest on state-issued corporate credit cards
 - Expenses of traveling companions or family members
 - Expenses related to vacation or personal days while in travel status
 - Loss or theft of personal property
 - Entertainment or amusement costs, movies, “no show” charges, optional travel or baggage insurance, and parking or traffic tickets
 - Incomplete or incorrect expense reports

Upon completion of travel employees shall submit a completed Employee Expense Report, referencing the purchase order number(s), promptly and no later than 60 days from the date of return. The following must be included with the Employee Expense Report:

- Written approval for out-of-state travel
- An agenda, email, website, pamphlet, or some form of documentation to support the travel
- Odometer readings for any mileage claimed on a personal vehicle

- Receipts for any expense with the exception of meals or as required in collective bargaining agreements or compensation plans
- Include your state SEMA4 Employee ID Number
- Should you lose a receipt, you must fill out an Affidavit of Expense, available in accounts payable (up to a \$25 limit).

Student club (advisor) travel: All travel associated with student clubs must adhere to the above procedures.

Travel associated with staff development funds: All travel associated with staff development funds must adhere to the above procedures, in addition to:

- Requesting funds from your appropriate bargaining unit's staff development committee.
- Upon the committee's approval of staff development funds, submit your letter of approval to purchasing. Purchasing will create a purchase order for your travel and provide it to the employee.

Payroll Information

Payroll Services is located in the Business Office, room E1312. Payroll ensures pay is processed according to the appointment established and entered by Human Resources. For any questions regarding pay or the completion of a time book, please call Payroll Services at (218) 733-7647.

Pay Day: Employees are paid bi-weekly; every other Friday. The pay period begins on Wednesday and ends 14 days later, on Tuesday.

Time Sheet Processing for Staff and Hourly Faculty: Time sheets are due the Monday before the end of the pay period by 9 a.m. Please ensure that the time sheet is completely filled out: include employee ID number, name, department, pay period dates and the leave balance section. The time sheet requires the employee's signature as well as your supervisor's.

Overtime/Compensation Time: The Fair Labor Standards Act (FLSA) sets forth the provisions for compensation for time-and-a-half and overtime and determines who is subject to and who is exempt from the Act. Rates and standards vary among collective bargaining agreements. Consult your supervisor and collective bargaining agreement for specific information. Overtime/Comp Time does not apply to faculty or administrators.

Overtime/Comp Time must be pre-approved by the supervisor and documented on a Request for Leave Slip. The Request for Leave Slip for all the overtime/comp time earned during the current pay period must be attached to the time sheet when turned into payroll.

View Your Pay Stub: Access the internet using Microsoft Internet Explorer.

Go to Employee Self Service website: www.state.mn.us/employee

On the sign in page: user id is the 8-digit employee id number, and initial password is the last four digits of your social security number (password must be changed to at least 8-digits after initial entry into the website).

Click view pay stubs. The most recent pay stub will appear.

If you have any questions or problems contact payroll at (218) 733-5947.

Direct Deposit: All employees are required by the State of Minnesota to sign up for direct deposit (as permitted under Minnesota Statute 16A.17, Subd. 10). The direct deposit authorization form is available on the employee self service website (www.state.mn.us/employee) under "other payroll - payroll forms" or by contacting payroll at (218) 733-5947. As part of the employee self service website, employees may also enter their own direct deposit information.

Withholding/W-4 Form: All employees complete a W-4 at the start of state employment. Employees may change the number of exemptions at any time (with a maximum of twice each year). The W-4 form is available on the employee self service website (www.state.mn.us/employee) under "other payroll - payroll forms" or by contacting payroll at (218) 733-5947. As part of the employee self service website, employees may also enter their own W-4 form.