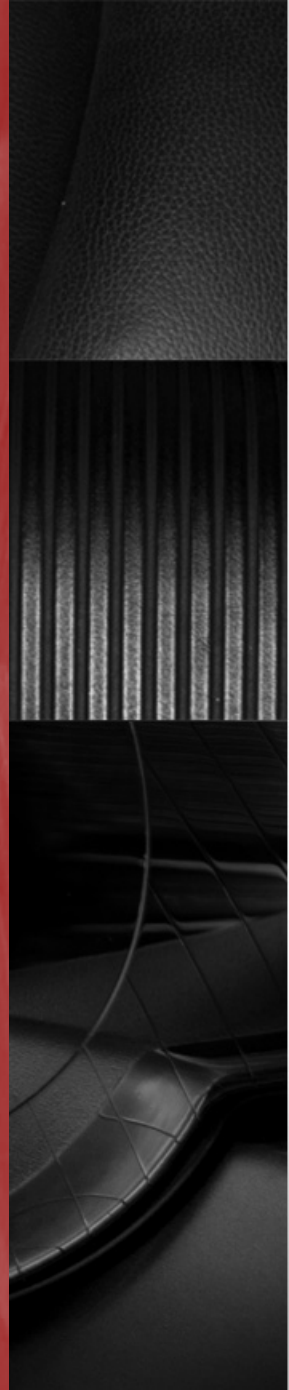


Expenditure Approver Refresher Training


Procurement Services





The Objective of this session is to ensure approvers:

- Understand they are required to review supporting documentation for every expenditure including receipts attached to end of cycle P-Card Transaction Reports
- Accountable for the accuracy of documents they approve
- Responsible for verifying that the payments they authorize are legal, proper and correct
- Charged with reporting suspicious or fraudulent activity
- Understand scope of expenditure authority



In this session you will review:

- Updated expenditure approver guidelines
- Scope of department/division policy vs University policy
- Expenditure approvals for Smart Source, P-Card, T&E reporting, paper check requests (used for highly confidential transactions only)
- Contracts – who is authorized to sign?



UPDATED APPROVAL GUIDELINES

There are two types of expenditures:

- In Smart Source system
 - Smart Source transactions that result in a cash disbursement or binding obligation for Drexel University (Purchase Orders, Confirming Orders, Sole Source Orders, Subawards, Multi-Year Orders, and Check Requests)
- Outside of Smart Source system
 - P-Card Transactions
 - Paper Check Requests (highly confidential subject matter)
 - T&E reports



UPDATED APPROVAL GUIDELINES

Expenditures can be allocated to two types of funds:

- General university funds
 - Expenditure authority is assigned by budgeted cost centers (e.g. 110001/3231)
 - Financial/Business Managers identify approvers
 - Budgeted cost centers also known as departmental budgets

- Grant or sponsored projects
 - Grant (2xxxxx) special review/approvals are built into Smart Source (equipment or subcontracts, regardless of the amount of the request or anything over \$25,000.00 is routed through the Office of Research)
 - Non-Smart Source Grant expenditures (highly confidential check requests, Employee T&E Reimbursements): Requires routing as immediately above



DEPARTMENT/DIVISION POLICY VS UNIVERSITY POLICY

Every department is encouraged to establish internal controls sufficient to regulate the department's purchasing activities:

- Ensuring purchasing duties are performed with competence and honesty
- Safeguarding University assets
- Preventing, detecting and correcting errors and irregularities

- Where Department/Division internal controls are more stringent
 - Department/Division controls will be upheld

- Where University policy is more stringent
 - University policy will be upheld



AN APPROVER'S REVIEW OF A PURCHASE/TRANSACTION

An Approver is responsible to review expenditures and all supporting documentation for:

- Allowable business purpose
 - Supports the mission of the Department in particular and the University in general
- Budgeted
 - The cost center the purchase will be allocated to has sufficient funds
- Accuracy
 - Charged to the appropriate funding source designated on the document (e.g., Research/Grant funds, Department funds, etc.)
 - Appropriate shipping information



AN APPROVER'S REVIEW OF A PURCHASE/TRANSACTION

An Approver is responsible to review expenditures and all supporting documentation for:

- Compliance
 - Executed in accordance with University's mission, policies, procedures as well as all Federal, State and Local regulations
 - Has the proper pre- and post-approvals (Research, OGC, Public Safety, Tax, etc.)
 - Executed ethically and legally
 - If the Approver does not have personal knowledge of the transaction, there is a system of internal procedures to enable a review of a transaction initiated by a responsible subordinate to ensure that the information is true and correct.



EXPENDITURE REVIEW

An Approver is responsible to review expenditures and all supporting documentation because:

- All employees share the responsibility for preventing, detecting, and reporting fraudulent and/or dishonest acts
- Any misuse of University funds may result in disciplinary action, termination of employment, or legal action by the University.



EXPENDITURE REVIEW PROCESS

The Approver has a fiduciary responsibility to conduct a thorough review to forestall approving improper expenditures:

- Have you read through/reviewed all documentation (Contracts, agreements, quotes, invoices, receipts)
- For invoice/payment approvals, have the goods/services been received in proper condition or services rendered in a satisfactory manner?

It is imperative to immediately report any suspicious or unusual expenditures to their supervisor, Procurement Services and/or to the University's compliance hotline: 1-866-358-1010



SMART SOURCE APPROVALS

Things to keep in mind when approving in Smart Source:

- Becoming an approver in Smart Source
 - Your financial/budget manager must send a request to smartsource@drexel.edu indicating the cost centers you have approval authority over
- As an approver, you can
 - Approve a requisition once all reviews have been completed
 - Reject a requisition
 - Return a requisition for modification
 - Approvers may not modify any part of a requisition. If a change is required, an approver may return the requisition to the person who submitted it indicating the change required
 - Forwarding your approval rights
 - By forwarding a requisition, an approver also forwards their authority over that cost center for that purchase



PURCHASING CARD APPROVALS

Things to keep in mind when approving P-Card transactions:

- Receipts and Additional Documentation
 - Every transaction should be accompanied by an itemized receipt at the time of review, along with any other required documentation required per University policy and/or procedure
- Transaction Allocation Reports
 - Every transaction on the report must have a clear and adequate transaction note
 - Reports submitted without transaction notes will be returned unprocessed
 - Each receipt amount should exactly match the related transaction on report
 - Report should contain all transactions for the cycle
- Purchases for Catalog Vendors in Smart Source should not be placed on P-Card
 - Purchases for the following vendors should only be placed via Smart Source:
 - Neta Scientific * B&H Photo * CDW-G * Dell * Fisher Scientific * GovConnection
Grainger * Graybar * Life Technologies * McKesson * McMaster-Carr
Perkin Elmer * Telrose Corp * Thomas Scientific * VWR International * Replica



TRAVEL REIMBURSEMENT APPROVALS

Things to keep in mind when approving Travel reimbursement:

- Ovation Travel should be utilized for all University rail and air travel
 - This will ensure exclusive university discounts as well as other services
- Travel reimbursements are completed on paper form (not in Smart Source)
 - By signing the Travel reimbursement form, you are certifying that the form is complete and accurate
 - Ensure all required information is completed prior to signing form
 - The direct supervisor/manager's signature is required
 - All appropriate receipts and documentation are required for form processing
 - Form must be submitted within 30 days from trip's conclusion



CHECK REQUEST APPROVALS

Things to keep in mind when approving Check Requests:

- Most check requests should be placed through the Smart Source system
- Check requests to be completed on paper form (not in Smart Source) due to payments of a sensitive or confidential nature include:
 - Employee relocation
 - Garnishments
 - HR benefit payments
 - Human subject payment
 - Legal invoices
 - Nonresident Alien for supplier who is performing a service but not US citizen
 - Payroll garnishments
 - Settlements
 - Tax processing
- All check requests should be accompanied by appropriate documentation



CONTRACT AUTHORITY

There is a significant difference between expenditure and contract authority.

Procurement Services has been delegated by the President the authority to purchase and enter into contracts for goods and services on behalf of the University and its affiliates with the following exceptions:

- Academic Appointments
- Employment Agreements
- Research Agreements
- Library Acquisitions (books, electronic resources, institutional memberships, etc.)
- Legal Services Agreements
- Insurance Broker Services and Policies
- Construction Services
- Real Estate Purchases/Leases

Delegation is subject to any prior approvals by the Board(s), and/ or applicable policies and by-laws, of Drexel's affiliates, the Academy of Natural Sciences of Drexel University, Drexel e-Learning and Academic Properties, Inc.