INTERNAL CONTROL DOCUMENT

The following Internal Control Procedure is used for document/transaction processing by the Financial Services division of the Amherst Campus of the University of Massachusetts. It details the procedures used for State-Appropriated Funds, Grants & Contracts and Non-Appropriated Funds. It further details the interface of the Controller’s Office with the Treasurer, Bursar, Budget, OGCA, Property, Procurement and State Comptroller. We are on-line to the University’s Financials System (PeopleSoft Financials), and the State’s Massachusetts Management Accounting and Reporting System (MMARS).

These internal control procedures provide the overall control structure of the Amherst campus to ensure the reliability of accounting data, promote efficient operations, safeguard assets, prevent and detect the occurrence of errors and ensure compliance with established State, University and campus policies. These procedures provide reasonable assurance that transactions are properly authorized and recorded to permit accurate presentation of information in the financial statements and other reports.

The control procedure is made up of eleven components as follows:

A. Budget Allotments and Transfer (Budget & President’s Office)

B. Encumbrance of Funds (Procurement & Controller)

C. Disbursements
   I. State Payments
   II. Payments made from Disbursement Vouchers for Non-Appropriated Funds and Grants & Contracts Non-PO/Direct Payments
   III. Payments made from invoices – On-line Purchase Orders (Controller & Treasurer)
   IV. Employee Reimbursements from On-Line Payroll Expense Module

D. Payroll (Personnel, Controller & Treasurer)

E. Revenue (Bursar & Treasurer’s Office)

F. Billing & Receivables (Bursar, Student Loans/Campus Receivables & Research Accounting)

G. Inventory Control (Controller)

H. Journal Entries

I. File Management & Reporting (Controller & University Controller)

J. Chartfield Establishment

K. Audits
A. BUDGET

The State-Appropriated Fund process starts once the State Budget (GAA) is passed by the Legislature and signed by the Governor. The University of Massachusetts President’s Office then allocates it to the campuses. Revenue is recorded as a monthly allocation in the PeopleSoft Financial System.

Non-Appropriated Fund budgets receive approval from the Board of Trustees and are then entered into PeopleSoft Financials by an automated interface system under the control of the campus Budget Office. Grant and Contract budgets are entered into PeopleSoft Financials by the responsible Grant or Contract Accountant based upon approved documentation received from the Office of Grant and Contract Administration.

B. ENCUMBRANCE

I. STATE APPROPRIATED FUNDS

a). MMARS DOCUMENT PROCESSING DELEGATION LIMITS

The Chart below represents current MMARS document processing delegation limits. These limits are calculated based upon the total dollar amount of a MMARS document for its entire duration, including amendments. A department may be able to process the initial MMARS document and several amendments. However, an additional amendment could increase the total value to one that exceeds the delegation limit and triggers secondary review of that amendment.

**Delegation Matrix**

<table>
<thead>
<tr>
<th>MMARS DOCUMENT</th>
<th>DELEGATION LIMIT FOR TOTAL DURATION OF DOCUMENT</th>
<th>RESTRICTIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>MA Master Agreement</td>
<td>no limit</td>
<td>Documents referencing Statewide Contract MAs managed by OSD will process automatically without secondary review.</td>
</tr>
<tr>
<td>PC Commodity</td>
<td>150,000</td>
<td>Includes Departmental MAs referencing a PC</td>
</tr>
<tr>
<td>CT Service</td>
<td>$500,000</td>
<td>Includes Departmental MAs referencing a CT</td>
</tr>
<tr>
<td>RPO Ready/Recurring Services/Lease</td>
<td>$500,000</td>
<td>Includes Department MA referencing RPO</td>
</tr>
<tr>
<td>GAE/INP Incidental Purchases</td>
<td>$5,000</td>
<td>One-time, non-recurring need</td>
</tr>
</tbody>
</table>

MMARS document processing delegation is limited only to document processing in MMARS and does not change any underlying procurement or contracting.
requirements. Even though departments will be able to process MMARS documents without secondary review by CTR/OSD, they are still responsible for procuring and contracting in accordance with applicable state finance and procurement laws, regulations and policies.

Under MMARS the term “commodity” applies to both goods and services. Goods include but are not limited to any articles of trade, items, products, supplies, information technology resources, automated data processing and telecommunication hardware, software, and systems. Services include but are no limited to furnishing of time, labor, effort, specialized skills by a contractor including operational, professional, maintenance, consultant, maintenance and repair, non-professional and human and social services.

A number of factors are considered in procurement and purchasing using State funds. The type of commodity; the MMARS object code classifications, and the total dollar amount of the document can all be factors.

i. **MMARS Documents with Total Amount Equal to or Less than Delegation Limit**

1. Departments are responsible for review and processing of all CT and PC encumbrance transactions equal to or less than the authorized delegation limit. MMARS will automatically process to “FINAL” any CT or PC document equal to or less than the authorized delegated limit.

2. When a department electronically submits a document to final status in MMARS, the department head is certifying to the Comptroller that the individual, on behalf of the department head, certifies under the pains and penalties of perjury that any expenditure or other obligation is supported by sufficient available legislatively authorized funds and is in accordance with the department’s enabling legislation and funding authority and that the MMARS document and any underlying supporting documentation are accurate and complete and comply with all applicable general and special laws, regulations and policies including public record intention and disposal requirements.

ii. **MMARS Documents with Total Amount Exceeding Delegation Limit**

1. Departments are responsible for review and processing of all CT and PC encumbrance transactions, which exceed the authorized delegation limit. Once the department has fully approved the CT or PC document, MMARS will automatically workflow the document to CTR or OSD (as applicable) for secondary review.

2. CTR/OSD will process to “FINAL” all CT and PC encumbrance transactions with an amount greater than the authorized delegation limit. Once a MMARS document is validated and submitted by a department, the document will appear in a “PENDING” status on the MMARS document catalog and will appear on the workflow list for either CTR or OSD.
3. To trigger secondary review, the department must submit the required supporting documentation for that document referencing the relevant MMARS document identification and version to CTR or OSD.

4. If CTR or OSD are unable to process a document due to errors, omissions or other compliance issues, the document will be “REJECTED” and the contract packet returned to the department MMARS Liaison with listed errors, omissions or compliance issues. CTR and OSD will not modify MMARS documents with errors or omissions since any MMARS document or supporting documentation changes require department head approval. Therefore, the department will be required to take the necessary steps to correct deficiencies, modify the document in MMARS (if applicable), validate and submit the MMARS document (with electronic or other department head approvals) to workflow, and resubmit the necessary supporting documentation for CTR or OSD secondary review CTR/OSD secondary review may require additional information or clarifications in order to complete secondary review. CTR or OSD will process a document to “FINAL” status once secondary review is completed.

1. STATE FUND REQUISITIONS/PURCHASE ORDERS AND REQUESTS FOR BIDS

Each University State Fund eProcurement requisition, or RFB Requisition, is entered into the On-Line Financials Purchasing System by the requesting department. The Request is electronically encumbered and approved by the requesting department.

a) A **Description Only** requisition (a requisition that is entered free-form by the data entry operator), **for less than $5,000 (or greater** if covered by a contract issued by the University, the State of Massachusetts Operational Services Division (OSD), the Massachusetts Higher Education Consortium (MHEC) or other recognized purchasing consortium.) is entered and approved by the requesting department. The requisition moves to the worklist of the appropriate staff member in the Procurement Department, regardless of dollar amount. If the purchase is available on a contract and the contract is not used, the buyer contacts the department to review the reason why it is not being purchased under a contract. Unless an acceptable reason is given the department is required to utilize the contract. A staff member in Procurement uses the purchasing system to review the requisition for completeness, accuracy, and vendor selections. They can identify that the purchase requisition is charged to a State appropriated fund by reviewing the fund that is charged (State funds start with a "1"). The buyer runs the Requisition Print Report for the requisition and gives a copy of it to the State Support Section in the Controller’s Office for verification of funding and a MMARS vendor code in the Commonwealth’s MMARS System. If all the MMARS requirements are met, the Buyer approves the requisition, sources the requisition to a purchase order, and the PO is encumbered in the University’s Financials System. The State Support Section in the Controller’s Office runs a copy of the Purchase Order Print Report and the encumbrance is entered in the Commonwealth’s MMARS system. The PO is then
dispatched in Procurement, matched to any applicable attachments and mailed to the vendor.

b) A **Description Only** requisition from **$5,000.01 to $25,000** is entered and approved by the requesting department. If the purchase is available from more than one source of supply and is not covered by a State, Campus, MHEC, or University contract, the department will obtain and submit three written quotations to Procurement to support the purchase.

The requisition moves to the worklist of the appropriate staff member in the Procurement Department for review. If the department chooses not to go with the lowest quote, the department must justify, in writing, their reasons for selecting the higher quote. If the purchase is Sole Source, the Sole Source Justification form is completed and provided to Procurement for review and approval with a quotation from the vendor. A staff member in Procurement uses the purchasing system to review the requisition for completeness, accuracy, vendor selection, and insures that all documentation requirements are met. They can identify that the purchase requisition is charged to a State appropriated fund by reviewing the fund that is charged (State funds start with a "1"). If the Procurement staff member finds issues with the purchase, the requisition is denied and returned to the worklist of the requester. A notation is made on the requisition by Procurement as to the issue. Once all is in order, the buyer runs the Requisition Print Report for the requisition and gives a copy of it to the State Support Section in the Controller’s Office for verification of funding and a MMARS vendor code in the Commonwealth’s MMARS System. If all the MMARS requirements are met, the Buyer approves the requisition, sources the requisition to a purchase order, and the PO is encumbered in the University’s Financials System. The State Support Section in the Controller’s Office runs a copy of the Purchase Order Print Report and the encumbrance is entered in the Commonwealth’s MMARS system. The PO is then dispatched in Procurement, matched to any applicable attachments and mailed to the vendor.

c) A Request for Bid (RFB) is required on a non-contract purchase if greater than **$25,000** unless a Sole Source Justification is provided and approved by Procurement. Departments must justify via a sole source form if not using an available contract. Contract items are those items that have been previously bid by the University, the State of Massachusetts Operational Services Division (OSD), the Massachusetts Higher Education Consortium (MHEC) or other recognized purchasing consortium., and contracts have been issued for the purchase of those items for a negotiated period of time.

The RFB requisition is entered and approved by the requesting department. A staff member in Procurement uses the purchasing system to review the RFB for completeness, accuracy, and vendor selections. They can identify that the purchase requisition is charged to a State appropriated fund by reviewing the fund that is charged (State funds start with a "1"). The buyer runs the Requisition Print Report for the requisition and gives a copy of it to the State Support Section in the Controller’s Office for verification of funding in the Commonwealth’s MMARS System. If the funding is in order, the buyer will proceed with the bid process.
The RFB document is posted on the University Procurement web site for access by any vendor who wishes to submit a bid. On select RFB’s vendors are also solicited directly to insure a sufficient pool of responses are received. Once the RFB goes through the bidding/advertising process the bids are publicly opened and reviewed by Procurement. Once bids are accepted by the Procurement Department they are sent to the requesting department for review. The requesting department makes a written recommendation for award to the Procurement Department. If there are issues with the award recommendation the requisition is put on hold by Procurement until the issues have been resolved.

When all paperwork is in order, the State Support Section in the Controller’s Office is informed of the pending award, including the dollar amount of the award and the name of the awarded vendor. The State Support Section verifies the availability of funding in the MMARS System again, insures that there is a State Vendor Code available for the vendor, and that any contracts that might be necessary are in order. If all the MMARS requirements are met, the Buyer approves the requisition, sources the requisition to a purchase order, changes the Vendor ID to reflect the appropriate ID of the vendor who was awarded the bid, and makes any necessary edits to the PO. The PO is encumbered in the University’s Financials System. The State Support Section in the Controller’s Office runs a copy of the Purchase Order Print Report, and the encumbrance is entered in the Commonwealth’s MMARS System. The PO is then dispatched in Procurement, matched to any applicable attachments and mailed to the vendor. Copies of the bid files are maintained in the Procurement Department.

CHANGES TO STATE P0s:

Once a requisition has been sourced to a purchase order, it is unavailable to the requesting department to make changes. A Request to make a change to a state fund purchase order is processed by the requesting department in the electronic purchasing system using the Change Request Requisition form. Change Request Requisitions are approved by the requesting department and move to the worklist of the appropriate buyer in Procurement. They can identify that the purchase requisition is charged to a State appropriated fund by reviewing the fund that is charged (State funds start with a "1"). The buyer reviews the Change Request. If there are issues with the requested change, the buyer makes a notation on the requisition.the Change Request is denied in the system by the buyer and returned to the worklist of the data entry operator. If the change appears to be appropriate and impacts funding, the buyer runs the Requisition Print Report for the requisition and gives a copy of it to the State Support Section in the Controller’s Office for verification and adjustment of funding. When all MMARS requirements have been met, the changes are made to the purchase order by the buyer, the Change Request Requisition number is documented on the purchase order, the Change Request requisition is approved by the Buyer, and then the Buyer cancels the requisition. The requisition remains in the system in a closed status and is available for audit purposes. When the Change Order purchase order has a valid budget check, it will be dispatched and mailed to the vendor by Procurement staff. Procurement maintains a copy of the purchase order, when applicable, along with any necessary documentation. The State Support Section in
the Controller’s Office runs a copy of the Purchase Order Print Report and the encumbrance is edited in the Commonwealth’s MMARS system.

2. **CONTRACT ENCUMBRANCES CONSIDERED “COMMODITY-BASED ENCUMBRANCES”**

The contract related MMARS documents are considered “Commodity-based” documents and are the only MMARS documents with a “commodity” line. These documents require a commodity code. The encumbrance documents include:

- **RQS (Standard Requisition)** - a pre-encumbrance for the CT, RPO and PC, which can be used to reserve funds prior to encumbering.
- **CT (Contract)** – encumbrance for contracts for services, leases that are less than 6 months and construction.
- **PC (Commodity Purchase Order)** – encumbrance for contracts for commodities that are “goods”.
- **RPO (Recurring Payment Order)** – encumbrance for recurring payments. The RPO is required for all space leases (Object Code G01), all TELP object codes (L01-L13), all operating and capital leases longer than 6 months (L21-L33), ready payments, maintenance contracts and other contracts with scheduled payments.

3. **NON-COMMODITY BASED ENCUMBRANCES**

Non-commodity based encumbrance reserves funds for incidental purchases and other expenditures that do not require a procurement and contract.

The encumbrance documents include:

- **GAP (General Accounting Pre-Encumbrance)** – encumbrance to reserve funds prior to encumbering a GAE, with the exception of incidental purchase object codes.
- **GAE (General Accounting Encumbrance)** – encumbrance for obligations not requiring a procurement and contract, including incidental purchases.

4. **VENDOR CUSTOMER ADDITIONS OR CHANGES**

The VCC Document in MMARS stands for Vendor Customer Create. Vendors and Customers are all located in one table (VCUST), and are entered into the system using the same document, the VCC. This Document records the addition of a Vendor to the Commonwealth database of Vendors. A Vendor is an entity from which goods or services have been purchased. All VCC Documents must be approved by the Office of the Comptroller prior to the Vendor being available for use on Encumbrance or Payment documents. The VCM document is used to make corrections and changes to the existing vendor/customer record.

a) If the vendor is not listed on the file, the respective order is not approved by the State Support Section, and the State Support Section must obtain an original W-9 form, Terms
and Conditions (T&C) if applicable, and EFT information from the vendor. A D-U-N-S number for Federal Grant vendors receiving ARRA funds is required.

b) When the Vendor Information is received, the State Support Section in the Controller’s Office enters into MMARS. The original documents are then submitted to the Comptroller’s Office for approval. The document will be marked for “PENDING approval only”.

c) The Vendor File Maintainer checks the MMARS system daily to track the status.

d) When the new vendor code appears in MMARS as “FINAL”, the corresponding form is then released to the Controller’s Office for processing.

5. ELECTRONIC RECEIPTS

Electronic receipts are entered into the On-Line Financials System by authorized individuals in the respective ordering departments to verify receipt of goods if the category assigned to the order requires it and the total value of the purchase order is $1,000 or more.

II. NON-APPROPRIATED FUNDS - ON-LINE TO THE FINANCIALS SYSTEM:

Departments enter an eProcurement Description Only requisition (a requisition that is entered free-form by the data entry operator), an eProcurement Marketplace Requisition (a requisition where the data entry operator creates a requisition, punches out from the requisition to a Marketplace vendor’s website, selects hard coded items from the vendor’s catalog that contains UMass contract pricing, and then draws the item(s) back into the eProcurement requisition), or an eProcurement Request for Bid Requisition, into the On-Line Financials Purchasing System.

1. NON-APPROPRIATED FUND ePROCUREMENT DESCRIPTION ONLY REQUISITION, AN ePROCUREMENT MARKETPLACE REQUISITION, OR A REQUEST FOR BID (RFB) REQUISITION

Each University Non-Appropriated Fund eProcurement requisition or RFB Requisition is entered into the On-Line Financials Purchasing System by the requesting department. The Request is electronically encumbered and approved by the requesting department.

a) A Description Only requisition for less than $1,000 is entered and approved by the requesting department. The requisition moves to the worklist of the appropriate departmental staff member. In most instances, the requisition will go to a status of approved with only departmental approval and is eligible for system sourcing to a purchase order, which is then dispatched in the Procurement Department and the hard copy is mailed to the vendor. The prior review/approval of Procurement is not required. Requisitions charged to Special Accounts require additional approval, regardless of dollar amount in most cases, and are automatically moved to the worklist of the assigned Procurement staff member.
Requisitions that do not require Procurement approval are reviewed on a post audit basis based on a statistical sampling.

b) A **Description Only** requisition from **$1,000 to $5,000** is entered and approved by the requesting department. The requisition moves to the worklist of the appropriate staff member in the Procurement Department. If there are issues with the funding, account code, or appropriateness of the charge, the requisition is denied pending budgetary adjustment by the requesting department. If the purchase is available on a contract and the contract is not used, the buyer contacts the department to review the reason why it is not being purchased under a contract. Unless an acceptable reason is given the department is required to utilize the contract. If the purchase requires additional documentation and documentation is not provided, the department is notified of the issue and the purchase requisition is put on hold pending receipt from the requesting department. Once all information has been received the requisition is approved, electronically sourced to a purchase order, and dispatched by the Procurement Department. Any applicable attachments are included with the purchase order and mailed to the vendor.

c) A **Description Only** requisition from **$5,000.01 to $25,000** is entered and approved by the requesting department. If the purchase is available from more than one source of supply and is not covered by a State, Campus, MHEC, or University contract, the department will obtain and submit three written quotations to Procurement to support the purchase.

The requisition moves to the worklist of the appropriate staff member in the Procurement Department for review. If the department chooses not to go with the lowest quote, the department must justify, in writing, their reasons for selecting the higher quote. If the purchase is Sole Source, the Sole Source Justification form is completed and provided to Procurement for review and approval with a quotation from the vendor. If the Procurement staff member finds issues with the purchase, the requisition is denied and returns to the worklist of the requester. A notation is made on the requisition by Procurement as to the issue. Once all information has been received the requisition is approved, electronically sourced to a purchase order, and dispatched by the Procurement Department. Any applicable attachments are included with the purchase order and mailed to the vendor.

d) A **Marketplace requisition** for **less than $10,000** is entered and approved by the requesting department. In most instances, the requisition will go to a status of approved with only departmental approval and is eligible for system sourcing to a purchase order and electronic dispatch to the vendor. The prior review/approval of Procurement is not required because all Marketplace purchases are covered by contract and contain hard coded contract pricing. No hard copy PO prints, but the purchase order remains in the Purchasing System for electronic payment. Requisitions charged to Special Accounts require additional approval, regardless of dollar amount in most cases.
Marketplace Requisitions that do not require Procurement approval are reviewed on a post audit basis based on a statistical sampling.

e) A Marketplace requisition for $10,000 or more is entered and approved by the requesting department. The requisition moves to the worklist of the appropriate staff member in the Procurement Department. If there are issues with the funding or account code, the requisition is denied pending budgetary adjustment by the requesting department. Once all information has been received the requisition is approved, electronically sourced to a purchase order and dispatched electronically by the system.

f) An RFB requisition is required on a non-contract purchase if greater than $25,000 unless a Sole Source Justification is provided. The Sole Source Justification must clearly state why the department is not using an available contract. The Sole Source Justification is subject to approval by the Procurement Department. Contract items are those items that have been awarded through a public bid process performed by the University, the State of Massachusetts Operational Services Division (OSD), the Massachusetts Higher Education Consortium (MHEC) or other recognized purchasing consortium. These contracts have been issued for the purchase of selected items for a specific period of time.

A staff member in Procurement uses the purchasing system to review the RFB request for completeness, accuracy, and vendor selection. The RFB document is posted on the University Procurement website for access by any vendor who wishes to submit a bid. On select RFB’s vendors are also solicited directly to insure a sufficient pool of responses are received. Once the RFB goes through the bidding/advertising process the bids are publicly opened and reviewed by Procurement. Once bids are accepted by the Procurement Department they are sent to the requesting department for review. The requesting department makes a written recommendation for award to the Procurement Department. If there are issues with the award recommendation the requisition is put on hold by Procurement until the issues have been resolved.

When all is in order, Procurement approves the requisition, sources the requisition to a purchase order, changes the Vendor ID to reflect the appropriate ID of the vendor who was awarded the bid, and makes any necessary edits to the PO. The PO is encumbered in the system. The PO is then dispatched in Procurement, matched to any applicable attachments and mailed to the vendor. Copies of the bid files are maintained in the Procurement Department.

2. **CHANGES TO PO:**

Once a requisition has been sourced to a purchase order, it is unavailable to the requesting department to make changes. A Request to make a change to a purchase order is processed by the requesting department in the electronic purchasing system using the Change Request Requisition form. Change Requests Requisitions are approved by the requesting department and move to the worklist of the appropriate buyer in Procurement. The buyer reviews the Change Request. If there are issues with
the requested change the buyer makes a notation on the requisition, the Change Request is denied in the system by the buyer and returned to the worklist of the data entry operator. Any written documentation that might be necessary is obtained from the requesting department and a copy is maintained in Procurement with a copy of the order. When all requirements have been met, the changes are made to the purchase order by the buyer, the Change Request Requisition number is documented on the purchase order, the Change Request requisition is approved by the Buyer, and then the Buyer cancels the requisition. The requisition remains in the system in a closed status and is available for audit purposes. When the Change Order purchase order has a valid budget check, it will be dispatched and mailed to the vendor by Procurement staff.

3. **ELECTRONIC RECEIPTS:**

Electronic receipts are entered into the On-Line Financials System by authorized individuals in the respective ordering departments to verify receipt of goods if the category assigned to the order requires it and the total value of the purchase order is $1,000 or more.

### III. CONFIRMING ORDERS - State and Non-Appropriated Accounts

1. **State Funds**

Confirming purchase orders are not allowed on State appropriated funds until the encumbrance is in a DONE status in MMARS.

2. **Non-Appropriated Funds**

Departments are not authorized to release a PO number to a vendor until the PO Status = Dispatched, and the Budget Check Status = Valid on the PO Header panel. Compliance with this policy is checked on a post audit basis.

### IV. LABOR & MATERIALS CONTRACTING - State and Non-Appropriated Accounts

All projects involving construction and renovation contracts for public buildings and public works must be submitted through the Physical Plant Division or Facilities & Campus Planning Division for review of design/engineering, specifications, and adherence to applicable statute. Any project estimated to cost $25,000 or more shall be awarded to the lowest reasonable and responsible bidder on the basis of competitive bids obtained and publicly opened by the Procurement Department in accordance with the procedure set forth in the provisions of Massachusetts General Laws, Chapter 30, Section 39M as amended and Chapter 149, Sections 44A-44J inclusive, or Trustee Policy T92-031.

Procedural steps involved in Labor and Materials contracting are a factor of the dollar estimate of the project as determined by the Physical Plant Division or Facilities Planning
Division and the following applies to both State funded and Non-Appropriated funded projects:

1. **Projects estimated at less than $10,000** (Apply to both c30-39M & c149 projects)
   All projects under $10,000 must be processed through the Physical Plant Department. They will coordinate the process and solicit three written quotes. There are no advertising requirements at this level. There is a requirement that the vendor supply a 50% Payment Bond on any project that exceeds $2,000. The Prevailing Wage Laws must be adhered to. The project is awarded to the vendor that meets all requirements and submits the lowest price.

2. **Projects estimated at greater than $10,000 but less than $25,000**: Applies to c149 projects only
   
   a) The Physical Plant Division or Facilities Planning Division advertises the project once in the Central Register (published by the Office of the Massachusetts Secretary of State), once in the local newspaper at least two weeks before the bid opening date and is posted on the Procurement bulletin board at least two weeks before the bid opening date. Notice will also be placed on the Procurement Department web site at least one week before the bids are opened.

   b) Physical Plant Division or Facilities & Campus Planning Division specifications must include a requirement for a 50% Payment Bond applicable to the successful bidder. The Prevailing Wage Laws must be adhered to.

   c) The Physical Plant Division or Facilities & Campus Planning Division obtains a minimum of three written price quotes. The project is awarded to the vendor that meets all requirements and submits the lowest price.

3. **Projects estimated at greater than $10,000** – Applies to c30-39M projects only
   
   a) The Physical Plant Division or Facilities Planning Division advertises the project once in the Central Register (published by the Office of the Massachusetts Secretary of State), once in the local newspaper at least two weeks before the bid opening date and is posted on the Procurement bulletin board at least two weeks before the bid opening date. Notice will also be placed on the Procurement Department web site at least one week before the bids are opened.

   b) Physical Plant Division or Facilities & Campus Planning Division specifications must include a requirement for a 50% Payment Bond applicable to the successful bidder. The Prevailing Wage Laws must be adhered to. A 5% Bid Deposit is also required on c30-39M projects.

   c) Awarded vendor must supply proof that their workers have obtained OSHA 10 training prior to starting work on the project.
d) The Physical Plant Division or Facilities & Campus Planning Division obtains a minimum of three written sealed bids. The project is awarded to the vendor that meets all requirements and submits the lowest cost.

3. **Project estimated from $25,000 to $100,000**: Applies to c149 projects only

a) The Physical Plant Division or Facilities Planning Division advertises the project once in the Central Register (published by the Office of the Massachusetts Secretary of State), once in the local newspaper at least two weeks before the bid opening date and is posted on the Procurement bulletin board at least two weeks before the bid opening date. Notice will also be placed on the Procurement Department web site at least one week before the bids are opened.

b) Physical Plant Division or Facilities & Campus Planning Division specifications must include a requirement for a 50% Payment Bond applicable to the successful bidder. The Prevailing Wage Laws must be adhered to. A 5% Bid Deposit is also required.

c) Awarded vendor must supply proof that their workers have obtained OSHA 10 training prior to starting work on the project.

d) The Physical Plant Division or Facilities & Campus Planning Division obtains a minimum of three written sealed bids. The project is awarded to the vendor that meets all requirements and submits the lowest price.

3. **Project estimated over $100,000**: Applies to c149 projects only

a) The Physical Plant Division or Facilities Planning Division advertises the project once in the Central Register (published by the Office of the Massachusetts Secretary of State), once in the local newspaper at least two weeks before the bid opening date and is posted on the Procurement bulletin board at least two weeks before the bid opening date. Notice will also be placed on the Procurement Department web site at least one week before the bids are opened. If sub-bids are required the advertisement must appear in the Central Register and the local newspaper at least once, not less than two weeks prior to the date of the opening of filed sub-bids, and not less than three weeks prior to the date of the opening of general bids. Sub-bid openings must be scheduled at least one week before general bids are scheduled to be opened.

b) Physical Plant Division or Facilities & Campus Planning Division specifications must include a requirement for a 100% Payment Bond applicable to the successful bidder. The Prevailing Wage Laws must be adhered to. A 100% Performance Bond and a 5% Bid Deposit is also required.

c) Awarded vendor must supply proof that their workers have obtained OSHA 10 training prior to starting work on the project.
d) Filed sub-bids must be obtained for any sub-bid category that equals or exceeds $20,000.

e) The Physical Plant Division or Facilities & Campus Planning Division obtains a minimum of three written sealed bids. The project is awarded to the vendor that meets all requirements and submits the lowest price.

The $100,000 estimate level for Labor and Materials Contracts represents the transition point from short form contract to long form contract format for both c30-39M and c149 projects. In addition to the procedures required in Subsection 1 above, the following applies:

a) For Chapter 149 projects only, the Physical Plant/Facilities Planning Division must determine the level of project control and oversight applicable to the Division of Capital Asset Management (DCAM), the filed sub-bid requirements of the proposed project, and the level of Minority-Owned Business (MBE) and Woman-Owned Business (WBE) participation required in the project. They must then produce a project specification in the appropriate format.

c) For Chapter 149 projects only, award may be made only to contractors who submit a current Certificate of Eligibility as issued by the Division of Capital Asset Management (DCAM, formerly Division of Capital Planning and Operations).

d) Use of the long form Labor and Materials Contract precludes the necessity for a letter of agreement signed by both parties. Once executed by the successful bidder, the long form contract document is signed by the President of the University or his designee. Presently, that signature authority is delegated to the Vice Chancellor for Administration & Finance.

e) Long form contracts issued against State Appropriated Funds ONLY, require one additional approval step prior to being fully executed. In the case of State Funded projects, the three original contract documents, once executed by the Contractor and the University, must be forwarded to the University’s Office of the General Counsel for approval as to form.

f) A fully executed, original copy of the long form Labor and Materials Contract is attached to the Comptroller’s copy of the Service Contract (SC) Form or Construction Contract (CC) Form for State Funded projects and forwarded to the State Comptroller’s Office. The State Comptroller’s Office is also sent a copy of the ads, the list of plan holders, the synopsis of bids, and the transmittal letter.

Upon award of Labor and Materials Contracts, the Purchase Order is processed in the same way as an RFB Purchase Order. If the source of funds is a State Appropriation, the Procurement Department will forward the Purchase Order to the Controller’s Office in accordance with the procedures outlined under Section I 1. in this document - State Fund Requisitions/Purchase Orders and Requests for Bids. When Non-Appropriated Funds are utilized, the Procurement Department will process a Non-Appropriated Fund University
V. PROCUREMENT CREDIT CARD (PROCARD) - NON-APPROPRIATED FUNDS ONLY—

The Procard enables authorized University employees to make and charge University purchases of approved commodities and select services against a major credit card, which works in a manner similar to a personal credit card, except liability is with, and payment is made by, the University.

The following flow outlines how the Procard Program is managed:

1. A University employee first attends a mandatory Procard training session to learn the policies and procedures for obtaining and using the card, and to determine whether s/he wishes to accept the responsibility that goes with card use. Each attendee is required to sign an attendance sheet.

   a) The employee is given a training package, which contains access to the Procard Guide, found on the Procurement website with all policies, procedures, and forms for card use.

2. The employee completes a Procard Application form, which is signed by the cardholder, the administrator of the account assigned to the card, and the department head (is the cardholder is also the account administrator).

   a) Certain restrictions are built into the card that can be made unique to each cardholder (# of transactions allowed per day and per month, single purchase limit (up to $1,000 allowed), spending limit per month).

3. The form is submitted to the Procard Manager in the Procurement Department, who is responsible for overseeing the Procard Program.

4. The Procard Program Staff verify that the information furnished by the card applicant is accurate, complete, and within established parameters for use of the card.

5. The Procard Program Staff add the card applicant to the Procard data base, order the card through the bank, update the card data in PeopleSoft and prepare the card delivery documents.

6. The Procard Manager receives the credit card for the employee in approximately 3-5 business days.

   a) The Procard Program Staff inform the employee that the card has come in and has the card applicant come in to the Procurement Department to review procedures, sign the Cardholder Agreement form, and receive the card. A photo identification is
required. Cards are pre-ordered when possible and most new cardholders receive their card at the end of their Procard training session.

b) The Procard Program Staff gives a copy of the Card Application form to Accounts Payable. Accounts Payable adds the cardholder and the cardholder’s Records Manager to their list of sites that will receive Post Audit review.

1) Every new Cardholder receives an initial audit. This is to insure that the Cardholder and the Records Manager understand what is expected.

2) Follow-up visits are made to each Records Manager who is not in compliance until the Post Audit team is satisfied that proper procedures are in place.

7. The cardholder uses the card. Each month for which there is activity, the cardholder receives an email alert from the bank advising that a statement is available. The cardholder is required to download and print available statements from the bank web site.

   a) The cardholder reconciles the statement against the documentation that the cardholder must obtain/maintain as proof of purchase.

   b) The cardholder turns the reconciled statement and documentation in to his/her Records Manager prior to issuance by the bank of the next statement.

      1) The Records Manager maintains the statements in accordance with established Record Keeping policy.

8. Charges against the Procard are fed by the vendor(s) to the bank and paid within 48 hours.

   a) Procard charges are processed to the General Ledger based on a nightly interface of Procard activity from the bank. A database is maintained of default chartfields associated with each Procard and used to process the expenses to the department.

   b) The bank invoices the University monthly for Procard charges. An electronic data funds transfer is authorized by the Treasurer to pay card charges.

   c) Authorized individuals within the cardholder’s department may go into PeopleSoft Financials and reallocate charges from the default card account to other accounts within their domain via on-line journal entry screens for up to 30 days after the charge appears in PeopleSoft Financials. If reallocating to a restricted grant, the charge must be allowable for that grant.

9. The Post Audit Team runs queries against the card accounts to track activity against the cards and to detect possible violations to policy.

   a) Post Audit Team audits a monthly statement of each new cardholder against the Post Audit Checklist. Thereafter, Post Audit will perform oversight based on a statistical sampling of cardholder monthly statements and audits targeted for higher risk activity.
b) Instances of non-compliance with Procard policy are noted by Post Audit on the Post Audit Checklist. A copy of the Post Audit Checklist, which contains the noted instances of non-compliance, is sent to the cardholder.

10. Post Audit, working in conjunction with the Procard Manager, and with the Associate Controller and the Director of Procurement, or their designees, takes action against cardholder Procards based upon cardholder records (copies of Post Audit Checklists, Explanation/Justification forms that the cardholder is required to complete for each instance of non-compliance, and any correspondence with the cardholder pertaining to misuse of the card), which are maintained in the Controller’s Office. The cardholder’s record is reviewed each time an instance of non-compliance with Procard policy is cited.

If it is discovered that a card has been used for non-University business (personal purchases) it will be reported to the Director of Procurement and the Campus Controller immediately. The Campus Controller may elect to take the matter to the State and University Auditors, and/or University Legal Counsel, and/or Campus Security, depending on the explanation provided by the cardholder and the severity of the instance of misuse.

C. DISBURSEMENTS

The payment process is divided between State Treasurer disbursements and University Treasurer payments made from Disbursement Vouchers and also Payroll Payments.

I. State Payments – Payment Request documents are initiated by the vendors’ invoice for payment and can be for commodity or non-commodity based payment documents determined by the encumbrance document types:

- **PRC (Payment Request Document)** – the payment document for the CT, PC and RPO (manual payment).
- **PRM (Payment Request Matching Document)** – the payment document for the RPO which is system (automatically) generated.
- **GAX (Generate Accounting Expense Expenditure)** – the payment document for non-incidental purchase payments encumbered with a GAE.
- **INP (Incidental Payment Document)** – the payment document for incidental purchase payments encumbered with a GAE.

1. Invoices should be date stamped as soon as they arrive on campus to ensure a proper record and comply with the Commonwealth’s Bill Paying Policy. If the invoice is submitted in an electronic form (fax, email), the invoice must be recorded as received as of the confirmation of fax or email. Email invoices must be printed to include the date the email was received. The Vendor Invoice Date is a required field on all MMARS payment request transactions and should always be the **date the invoice was received on Campus**.

2. Departments should review and approve the invoice, the appropriate person should sign to indicate that goods and services have been received and payment is
appropriate. Approved, signed invoices are attached to a Payment Input Form and sent to the State Support Section of the Controller’s Office.

II. Payments made from Disbursement Vouchers for Non-Appropriated Funds and Grants & Contracts Non-PO/Direct Payments:

1. Only certain expenditures are acceptable as Non-PO/Direct Payments. See listing of allowable direct payments in the Accounts Payable Direct Payment Policy.

2. Invoices received from vendors are sent to the appropriate department that received the goods or services for review and approval.

3. The paying department types a Disbursement Voucher and lists each invoice and vendor for payment for an account or group of accounts within one non-appropriated fund. The departmental signature on each individual invoice indicates that goods have been received and payment is appropriate. The department signs the Disbursement Voucher verifying that the charges are allowable on the allocated chart string.

4. If the vendor is not providing an invoice, the department will attach a University Invoice to support the payment along with a Disbursement Voucher.

5. Disbursement Vouchers with approved original invoices received from departments are sent to the Non-Appropriated Fund Accounts Payable section and are distributed for review and voucher input.

6. The vendor code is checked to the on-line vendor tables to be sure that the vendor name and payment remit address on the invoice agrees with the invoice provided. Single Payment Vouchers are allowable for refunds when the vendor is not in the online vendor system.

7. The Disbursement Voucher audit procedure includes a check on the following fields:

   a.) Vendor Code - 10 digit numeric vendor number b.)
   
   Vendor Name- the name of the vendor being paid c.)
   
   Invoice Number - invoice number of bill being paid d.)
   
   Invoice Date - date which is on the invoice e.)
   
   Invoice Amount - the amount requested on the invoice for payment f.)
   
   Receipts- Receipts are attached for reimbursements are itemized showing proof of payment g.)
   
   Handle Code - whether documentation needs to go out with the check or if check will be picked up by the department
h.) 1099 Field - if payment requires 1099 reporting

i.) Description - describes the goods or services

Disbursement Vouchers that have been approved for payment are submitted to data processing clerks in A/P to be scheduled for payment.

III. Payments made from invoices from On-Line Purchasing (Non-Appropriated Funds, Grants and Contracts):

1. All vendors are instructed to send invoices directly to the non-appropriated accounts payable section.

2. When vendors do not provide invoices, a customizable University Invoice is completed by the department and signed by the vendor. The University Invoice is then forwarded to the non-appropriated accounts payable section.

3. Invoices are matched to on-line PO’s.

4. If an invoice billed on a blanket purchase order is greater than $1,000 and does not have a departmental signature, a scan copy of the invoice is sent to the department for their inspection. The department must approve before the invoice is inputted for payment.

5. Certain departments have additional approval requirements before the invoice is inputted for payment.

6. Subcontract invoices require institutional certification as well as Principal Investigator signature before invoice is inputted for payment.

7. The invoice is checked against the on-line PO for proper vendor name, payment remit address, quantity invoiced, unit price, and total invoice amount. If an invoice is billing for more than the original PO, and a change order is required per the AP Match Exceptions Chart, the invoice will be scanned to the department for PO change before the invoice is inputted for payment.

8. The system automatically holds payment if the Buyways commodity tolerance assigned for match exception has been exceeded and or if the commodity requires receiving which hasn’t been done in advance of voucher input. Departments are required to enter a receipt or approve overpayment with a comment before match exception is finally approved by Accounts Payable.

IV. Employee Reimbursements from On-Line Payroll Expense Module (Non-Appropriated Funds, Grants and Contracts):

1. Certified Preparers enter online expense reports to reimburse employees for business and travel expenses.

2. Online submissions are accompanied by original signature approvals, receipts and other supporting documentation. Signature approvals by the employee, the employee’s
department head, account administrator, and when necessary, the PI to ensure that all funding agency restrictions are followed.

3. Pre-travel authorizations as approved by the department head or PI are required in advance of all travel to ensure that adequate funds will be available, the intent of the trip is University related business, and the traveler has the authorization to be away from campus. In some cases, blanket travel authorizations may be issued to employees expecting to take multiple trips throughout a period of time.

4. Receipts itemizing the charges and proof of payment are required to backup all reimbursements to employees.

5. Expense reports must be submitted within a reasonable time (not to exceed sixty days). Expense reports processed after 120 days are treated as taxable to the employee receiving a reimbursement.

D. PAYROLL

Payroll is automatically interfaced bi-weekly from the HR/CMS system to PeopleSoft Financials and manually entered into MMARS via the MMARS Liaison. The 629 PrePredictive report is generated on a daily basis to identify any payroll errors. Payroll is notified immediately so that corrections can be made before the feed to MMARS and PeopleSoft Financials. A fund control report, sorted by appropriation is provided to the University Controller’s Office on Thursday afternoon prior to the paydate to verify fund availability. The 610 New MMARS Appropriation Report is run bi-weekly to make sure funds are available on MMARS. Payroll is pulled directly from the “expenditure ceiling” - no encumbrance is required for the MMARS system. The Treasurer’s Office sorts all checks for distribution bi-weekly on Friday mornings. Payroll new hires for salaries in excess of $150,000 must be approved by the University President.

E. REVENUE

All State-Appropriated Revenue (not sent by EFT) is received and deposited by the Bursar. The Bursar sends the check stub and deposit slip to the State Support Section.

Non-Appropriated Fund receipts are received in various non-appropriated funded operations around the campus and are then centrally processed through the Bursar’s Office and deposited to the bank. Ancillary receipt processing areas are set up for the University Health Services. All gift revenue must be processed through the Development Office.

Cash Collection Security Guidelines, available on the Controller’s Office web page, provide guidelines for operations that collect funds with a listing of operational controls designed to safeguard funds.

Receipts are recorded on a University Deposit Slip form or on a departmental form designed for a department’s specific range of account numbers. The receipts are batched on a daily basis for entry into PeopleSoft Financials.

Separate bank accounts have been set up for the receipts through the Bursar’s Office.

20
F. BILLING & RECEIVABLES

Billing of tuition and fees is the responsibility of the Bursar’s Office and is accomplished through the PeopleSoft Student Information System (SIS). The initial semester billings are sent in July and December, with receivable billings throughout the year as required. Receipts are processed by the Bursar’s Office into the PeopleSoft Cashiering system and fed to the accounting system on a daily basis.

The Student Loans/Campus Receivables Office (SL/CRO) maintains a cash drawer in the amount of $200.00 for the purpose of making change and accepting cash payments. The drawer is funded through the Head Teller in the Bursar’s Office. Cash is reconciled bi-weekly by the SL/CRO cashier. Checks received are reviewed by the Clerk III to insure correct account numbers and that the checks are written properly. Checks are divided into two groups: borrower remittance and loan consolidation. Payments are applied to individual accounts at least twice weekly (Wednesday and Friday) as well as on the 15th and the last business day of the month.

Payments are prepared for deposit and placed in a locked deposit bag. All cash deposits are double counted and signed off on by both the cashier and a supervisor. The deposit bag is carried to the Bursar’s Office by a UMPD officer. When the receipt for the deposit is returned to the SL/CRO it is matched with our copy of the deposit slip and the batch transaction and retained in a file in the office. Collection agency statements are processed as they are received and the remittance check is handled in the same manner as individual checks.

Perkins Loan promissory notes are delivered to the SL/CRO twice each year by the Financial Aid Office. The notes are then sent to a vendor to create microfiche. One copy of the fiche is maintained in the vendors secure facility. Both the original notes and a copy of the fiche are returned to the SL/CRO. The note is used to create a borrower file and the fiche are stored on site. Tuition promissory notes are maintained in individual student files on site. All correspondence and documents are retained in borrower files in the SL/CRO. Filing is typically handled by student staff.

The Student Loan fund activity is reconciled each month by the Loan Coordinator. All cash transactions and bank statements are also reconciled each month. Journal entries are prepared and applied to maintain accuracy between the GL and the Loan system as necessary each month. The SL/CRO provides information for the preparation of the FISAP and coordinates this information with the Financial Aid Office to insure accuracy in this process.

The accountants in Research Accounting section of the Controller’s Office are responsible for compiling and sending out to billings for grants and contracts to various sponsors including industry, state and federal agencies and foundations. The amount billed is based on the method specified in the contract which may be the expenses for the time period involved, installment, or milestone. The bills are sent out at various frequencies such as monthly, quarterly, or specified dates during the period of the grant, or based on progress reports being submitted to the funding agency.

The grant accountant submits the invoices to be signed by the Assistant Controller. The billing document directs the funding agency to remit the payment to the Controller’s Office to the attention of the Controller.
Checks received are given to the Manager of the Research Receivables section when received. The checks are entered into a log and assigned a number. A copy of the check is given to the appropriate Research Accountant to match with the corresponding invoice. The checks are batched with a deposit slip and given to the receptionist in a bank bag. The bank bags are picked up daily by security and delivered to the Bursar's Office. The checks are deposited to a clearing account. At the same time, a journal is prepared for the deposit and sent to the clerk in Research Accounting who does the journal upload. This draws the funds from the clearing account and deposits them in the individual research ledgers. After the clerk notifies the Manager that the upload is done, it is checked for accuracy on PeopleSoft. Once this is done, the payment is entered in GAMS.

Bank sheets showing funds deposited to two bank accounts, one general University and one Amherst G&C, are sent on a daily basis to many individuals at all campuses. The Treasurer’s Office assigns a log number to each receipt. The Manager and a clerk for Research Receivables receives these sheets by e-mail daily. The clerk prints the sheets, maintains a log of the receipts and distributes them to the appropriate research accountant. The accountant matches the receipt with the invoice and provides this to the Manager of the Research Receivables. Then the Manager prepares a journal upload to distribute the receipts to the appropriate chartfields. The journal is sent to the clerk who notes which receipts have been “claimed” and forwards the journal to the Treasurer’s Office. After about a week, the Manager checks that the receipts appear correctly on PeopleSoft and then enters the payment in GAMS.

The Amherst Campus Controller’s Office maintains responsibility for the Federal Letter of Credit draws and reporting for Amherst and Boston Campus Research Accounting section. Draw requests are prepared by the Manager of the Research Receivables section through PeopleSoft and sent to the University Treasurer’s Office in Shrewsbury by e-mail. The draw is based on expenditures charged on grants funded under the Letter of Credit. The Treasurer’s Office submits the draw request to the federal agency. The funds for each letter of Credit cash request are received within 48 hours by electronic funds transfer to the University's bank account.

For the Amherst campus, along with the draw, a journal upload is submitted to the Treasurer’s Office. The Treasurer’s Office saves the journal and when the funds are received from the draw, the journal upload is done. This distributes the funds to the appropriate chartfield.

For the Boston campus draws, when the funds are received, the Treasurer’s Office enters a deposit in PeopleSoft and provides the deposit number to the Manager of the Research Receivables section. Then the Manager does the distribution of the receipts to the appropriate chartfield through the PeopleSoft accounts receivable module.

**G. INVENTORY CONTROL**

The Amherst Campus has Property and Inventory Control staff that use the PeopleSoft Asset Management module to record and track Amherst fixed assets. The Property and Inventory Control Office staff has primary responsibility for tagging, inventorizing, providing
departmental equipment lists and recording any changes about fixed assets reported by departments like location changes and disposals. A department head can delegate equipment tracking tasks to an Equipment Coordinator. The Equipment Coordinator is the liaison with the Property Office and is responsible for ensuring that departmental equipment is properly accounted for.

I. FIXED ASSETS

a. Capital equipment includes any capital tangible item that is purchased, donated, fabricated, or acquired through trade and valued at greater than $5,000 at time of acquisition and having a useful life of greater than two years; except items being fabricated for external entities, experimental fabrications or items held for resale.

b. Non-capital equipment includes movable equipment with a useful life greater than two years that is purchased and valued at greater than $1,000 at time of acquisition; except for furnishings.

c. Consumables are defined as items costing less than $1,000 or having a useful life of less than two years. These items are not tracked as Fixed Assets. Campus Departments should maintain procedures to ensure that items costing less than $1,000 are safeguarded from theft and not purchased for personal gain.

II. VALUATION

Purchased equipment is valued at the invoice price. Donated equipment is valued at its fair market value at the time of donation. The valuation of constructed or fabricated equipment includes all identifiable costs such as blue prints, component parts, materials, and labor. Valuations also include additional costs necessary to make the equipment usable for the purpose for which it was acquired. Examples of additional costs include freight, on-floor delivery, accessories, and installation costs.

III. ACQUISITION METHODS

a. Purchase Orders

Departments can acquire property by submitting a Purchase Order to the Procurement Department, who assists in the selection of a vendor, getting bids or determining a contract price, and working out other terms of the purchase. Procurement will issue the Purchase Order for valid purchase transactions. Purchase Order are processed with the appropriate capital equipment expenditure account or non-capital equipment expenditure account. When payments are processed using the fixed asset account range relevant information is loaded as a staging table from Accounts Payable.

The account codes and the descriptions are as follows:

<table>
<thead>
<tr>
<th>Equipment $1,000 to $4,999:</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>NON-CAPITAL EQUIPMENT PURCHASE</strong></td>
</tr>
<tr>
<td>741970 Non-Capital Equipment: Any movable non-IT equipment item valued at $1,000-$4,999.99 that will be tagged and tracked in the University’s equipment inventory. For computer hardware, systems, and peripherals see 741980.</td>
</tr>
</tbody>
</table>
Non-Capital Information Technology Equipment: Any movable computer hardware, systems, and peripheral item valued at $1,000-$4,999.99 that will be tagged and tracked in the University’s equipment inventory.

Equipment $5,000 and over:

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
<th>Exceptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>763100</td>
<td>Information Technology Equipment &gt;$4,999; Computer hardware, systems, and peripherals. Use 741980 if $1,000-$4,999.99: For computer software, see 734800. For computer supplies, use 734200. For computer/software maintenance, use 768100.</td>
<td></td>
</tr>
<tr>
<td>763140</td>
<td>Telecommunications Equipment &gt;$4,999;</td>
<td></td>
</tr>
<tr>
<td>763180</td>
<td>Computer Software &gt;$100,000;</td>
<td></td>
</tr>
<tr>
<td>763210</td>
<td>Research/Educational Equipment &gt;$4,999;</td>
<td>Items necessary for research or for instructional use in a teaching setting.</td>
</tr>
<tr>
<td>763400</td>
<td>Facility Equipment &gt;$4,999; Items necessary for the operation of programs of a state facility. For example: machinery, instruments, appliances, and modular units (trailers). Includes Plant, Shop, Operational Equipment and equipment associated with implementing energy savings conservation measures. Room air conditioners included here if greater than $4,999. For the initial purchase of equipment during the construction of a facility, use 772180.</td>
<td></td>
</tr>
<tr>
<td>763500</td>
<td>Motorized Vehicle Equipment &gt;$4,999; Motor vehicles, including passenger vehicles, airplanes, helicopters, passenger trucks and lawn mowers/tractors greater than 90 h.p. Includes motorized vehicle equipment accessories.</td>
<td></td>
</tr>
<tr>
<td>763700</td>
<td>Office Equipment &gt;$4,999; For example, postage, fax machines, etc. See 763100 for Computer Equipment.</td>
<td></td>
</tr>
<tr>
<td>763800</td>
<td>Printing/Photocopying Equipment &gt;$4,999; Printing, photocopier, duplicating, and micrographics equipment, and equipment for the micro production of source documents or electronic data and microfilm/microfiche readers and printers. Includes the payment that covers the cash buyout of such leased equipment.</td>
<td></td>
</tr>
<tr>
<td>764200</td>
<td>Medical Equipment &gt;$4,999; For example, x-ray machines, blood gas analyzers, etc.</td>
<td></td>
</tr>
<tr>
<td>764300</td>
<td>Law Enforcement and Security Equipment &gt;$4,999; For example, radar systems, breathe analyzers, firearms, etc. For police vehicles, see 763500; for ammunition, see 744800.</td>
<td></td>
</tr>
<tr>
<td>764500</td>
<td>Heavy Equipment - General &gt;$4,999; For example, front-end loaders, backhoes, bulldozers, tractors, cranes, dump trucks, etc., for other than farm use. See 763500 for Motorized Vehicle Equipment.</td>
<td></td>
</tr>
<tr>
<td>764600</td>
<td>Television Broadcasting Equipment &gt;$4,999; High technology equipment used for audiovisual productions for video and other television broadcasting.</td>
<td></td>
</tr>
</tbody>
</table>

b. Capital Construction

All capital construction projects are managed by the Facilities & Campus Planning Office or the Physical Plant Office. The Controller’s Office and either Facilities & Campus Planning Office or the Physical Plant Office do a collaborative analysis of projects to determine what should be capitalized. The PeopleSoft Projects attributes are used to track costs for capital construction and distinguish them from projects that are not to be capitalize. Projects that are capitalized by Amherst are recorded as assets in the year completed.
c. Donations
All Amherst Donations are accepted through Donor Services. Donor Services issues a donor letter that indicates the fair market value of the item and provides an annual listing of all donated equipment to the Controller’s Office. Donated fixed assets are capitalized if they met the capital definition.

IV. TAGGING AND INVENTORY
When movable capital or noncapital equipment is acquired a University identification number is assigned and Property Office staff affixes a bar code tag to the equipment. In certain instances, arrangements are made for bar code tags to be delivered to a department to tag their own equipment. Departments may also develop an alternative tagging and tracking process as long as it affords the same level of asset control.

Inventories are conducted of all tagged equipment in buildings based on a two year building schedule. After the completion of a physical inventory of all the building locations occupied by a department a listing of all the departments equipment is provided. The department equipment coordinator is required to determine the disposition of any equipment not observed during a department’s physical equipment inventory. The location of all equipment not on campus must be documented and maintained by the department. Primarily this includes computers, laptops and other telecommunications devices greater than or equal to $1,000.

IV. EQUIPMENT DISPOSAL AND EQUIPMENT TRANSFERS
All equipment should be disposed of in accordance with federal, state and university guidelines. Unusable equipment costing $5,000 or more must be disposed of through Waste Management with a Surplus Equipment Disposal Form. The Property Office needs to be informed when equipment greater than or equal to $5,000 is transferred between departments or between campus locations in order to update the asset database. Note: Usable surplus equipment or furniture with a resale value greater than $100 can be sold as surplus following the Procedure For Sale of Surplus Equipment using the Surplus Equipment Sale Form located on the Procurement web page.

Unusable non-capital equipment costing less than $5,000 can be disposed of through Waste Management with a Surplus Equipment Disposal Form or by sign-off of department equipment liaison. The Property Office (mgarrand@admin.umass.edu) must be provided documentation of disposals to update the inventory system. Disposal of computers, laptops and other telecommunication devices must conform with OIT guidelines to prevent loss or theft of sensitive personal, health or educational data such as student grades, ssn#’s or credit card information.

H. JOURNAL ENTRIES
Journal Entries are processed by the Controller’s Office and departments that possess the required training to process and upload journals and/or recharges to non-payroll ledger accounts.
Each fund has specific rules regarding what type of charges are allowable. The journal entries must have approval from the chart string manager or approved delegate who understands these rules before processing a journal entry into the GL. This approval can be in the form of a signature, memo or electronic. Request that involve a sponsored grant must be accompanied by a Non Payroll Cost Transfer form and be approved by a grant accountant.

Support for a journal entry can be a hard copy supporting document and or a journal entry description. Hard copy supporting documentation is not required for a non-sponsored chart string unless the description inadequately explains the purpose of the journal.

Journal entry descriptions are used to explain what, where, and why a journal entry is required. Journal descriptions include journal line references providing specific system identifiers back to the original transaction as well as the type of journal entry and person requesting the journal entry.

Journal entries transferring a charge that originally appeared on a UMGL7062 Detail Report more than 120 days prior to the journal entry date will require an explanation to justify why the adjustment was delayed.

I. FILE MANAGEMENT

File Management is a shared responsibility with the University Controller’s Office and the Amherst Controller’s Office. Files are maintained in accordance with State and sponsor retention guidelines.

J. CHARTFIELD ESTABLISHMENT

New chartfields are created in predetermined number ranges when approved by the Controller or his/her designee. The file management clerk also creates or changes attributes on-line after approval by the Campus Budget Office and the Controller or his designee.

Revenue and expenses cannot be processed against a chartfield until the Budget Office and A & F Administrative Systems have been notified. The Budget Office will load the necessary budget lines. A & F Administrative Systems will place the security on the new chartfield, allowing the appropriate individuals access to the chartfield for creating/approval of Purchase Orders, Journals, etc. A nightly feed of the chartfield information occurs to Human Resources to establish the HR account code which is necessary for processing payroll against the chartfield.

The Campus maintains control over a series of flags that control activity within a fund.

K. AUDITS

The Controller is the campus audit liaison and is responsible for obtaining and monitoring the action steps taken by the campus in response to issues noted by auditors of campus operations. The Controller’s Office monitors each management finding and works with departments to track and assist implementation of responses.