The Audit Perspective

University Chart of Accounts

The Office of Procurement Services provides an Expenditure General Ledger (G/L) Listing on their website that includes the G/L account name, account number, and description. This information is helpful for determining to which G/L account the departmental purchase/expenditure should be coded. Revenue G/L accounts are also available on the Office of Accounting's website if needed.

General Purchasing Information

- A W-9 is required to set up a new vendor.
- Purchases up to and including $5,000 only require one quote.
- Meals/food purchases for departmental social functions in celebration of an event or a holiday, or to promote fellowship among constituents is prohibited. See the Unallowable Entertainment – Spending Policy.
- Purchases from $5,000.01 up to and including $50,000 require two written, signed quotes. Sealed bids are required for purchases $50,000.01 and greater. Exceptions to this rule include items on state contracts, the express products list (EPLs), sole source, and research justifications. These items do not require multiple quotes or a bid to be purchased.
- Split purchases are impermissible. Departments may not split a purchase into multiple transactions in order to circumvent purchasing policies.
- Mississippi Institutions of Higher Learning (IHL) Board approval is required for all contracts that require a total expenditure of $250,000 or more.
- For questions about requisitions, purchase orders, and purchasing in general, contact Belinda Redmond at bredmond@olemiss.edu or extension 7433.
- For questions about bidding requirements, sole source justifications, requests for proposals, IHL board approvals, contracts, etc. contact Katherine Jones at kajones4@olemiss.edu or extension 7450.

Tip: Backup documentation for all purchases processed through Procurement Services should include a clear business purpose. Internal and external auditors commonly review appropriateness of purchases; therefore, a documented clear business purpose decreases the amount of follow-up required with the department. Clearly documenting the business purpose will also help ensure the purchase can be explained in the event of employee turnover. The department may retain documentation of the business purpose in one of two ways:

1. Indicate a clear business purpose on the original document before sending to Procurement Services (i.e. business purpose will be retained in the permanent files in Procurement Services).
       OR
2. Indicate a clear business purpose on the department's copy of the purchase document (i.e. business purpose will be retained within the department). An alternative could also be to document the business purpose of each purchase on a spreadsheet maintained within the department.

Additionally, the business purpose for interdepartmental purchases (Aramark, Printing, Inn at Ole Miss, etc.) should also be documented and maintained within the department.

Technology Purchases

Technology purchases that meet ***any*** of the following conditions require approval by the campus CIO or delegate:

- Technology projects with total lifecycle costs greater than $5,000.00
- Campus-wide software licenses
- Contracts for campus-wide cloud services (e.g. IT services hosted off campus)
- Technology projects involving the storing or transferring of sensitive data

Examples include but are not limited to: purchases of technology equipment (e.g. servers, laptops, projectors) exceeding $5,000; contracts for software hosted elsewhere that will be used by a majority of students or employees; and software applications that track student academic progress and thereby contain sensitive data. For information concerning software that requires data from UM's centralized systems, sole source IT purchases, and the 7 steps required to make an IT purchase over $5,000 that meet any of the criteria listed above, see the Technology Purchases Policy.

Procurement Card Purchases

- The procurement card is the recommended method of payment for all purchases $5,000 or less (which only require one quote) **except** for travel and payments of professional services.

- Always obtain <u>itemized</u> receipts.
- For all shared procurement cards, departments must utilize a procurement card log/sign-out sheet for all purchases, including those made by the cardholder. The log can be found on the Procurement Card website. Note: The Telephone Order Log is not required to be used. Telephone orders may also be included on the procurement card log/sign-out sheet.
- Do not pay Mississippi sales tax.
- State contract items should not be purchased using the procurement card unless the contract vendor is being used.
- Only in-stock, immediate delivery items may be purchased. No back orders are allowed.
- All equipment purchased must be either shipped or brought, along with the invoice, to Central Receiving so that property barcodes can be placed on the equipment items. The university property number must also be documented on the weekly Visa document.
- The Procurement Card Manual is available for employees on the Procurement Card website. You may also see the Use of the Procurement Card Policy.
- The procurement card should not be used for the payment of personal or professional services of a consultant, contractor, or individual, as these must be processed on an E-form 13.
- Employees should ensure that surcharges (processing fees) are not being charged on the procurement card prior to the purchase.
- To report a lost or stolen card, immediately call 1-888-934-1087. While calling Regions Bank, inform them the card that is lost or stolen is a procurement card.
- For questions and assistance, contact Shelley Morrison, smorriso@olemiss.edu, extension 7449.

Requests for Payment/Purchase Orders/ E-form 13s

- Please familiarize yourself with all Spending Policies: Food Purchases, Reimbursement of Out-of-Pocket Expenses, Inappropriate Use of Funds, Allowable Entertainment, etc.
- Procurement Services requires the original itemized invoice or receipt – no faxed copies, no bank or credit card statements, and no packing slips.
- Requests for payment must have original signatures – no stamped signatures, no initialed signatures, and no forgeries!
- All prepayments/deposits must be approved by the IHL Commissioner/Board.
- For questions concerning requests for payment, purchase order invoices, and payments to consultants/independent contractors/Form 13s, contact Procurement Services at extension 7448.

Property Control/Central Receiving

- All equipment/furniture items purchased with University funds (regardless of funding source) valued at $1,000 or more ($250 or more for computer-related items) plus exception items (property regardless of value) will be tagged as University property and treated as such.
- Equipment items purchased on a procurement card must be taken to Central Receiving to be tagged. Items ordered online that require a tag should be delivered to Central Receiving.
- Please complete and return the yellow asset tracking forms that accompany equipment deliveries to the Property Office.
- Appropriate forms must be completed for all equipment transfers, loans (valid for one year only so forms must be renewed annually), and disposals.
- University employees or departments may not dispose of University property even if it is not tagged; all surplus property must be removed by Property Control.
- Visit the University's Surplus Property Warehouse Monday - Friday 8am-4pm to find equipment/furniture for your departmental needs.
- Property control guidelines as well as official forms related to University property can be found on the Property Control website. All property control related policies can be found on the Policy Directory.

Training with Internal Audit

Lead Responsibly:
A section entitled *Doubt Means Don't: Fiscal Responsibility (Code of Ethics and Conduct)* is presented by Internal Audit during the Lead Responsibly training. Lead Responsibly is designed for new and existing department heads. The review of financial and administrative topics will empower leaders to make accurate judgements and decisions, manage resources effectively, and act with professional integrity. Check for sessions to be scheduled soon on the HR website!

Lead Your Team:
A section on the Code of Ethics and Conduct is presented by Internal Audit during the Lead Your Team training sessions. Lead Your Team is a three-day program designed to develop the skills necessary to supervise professionally and effectively. This is a core course highly recommended for employees with supervisory and people management responsibilities. The next Lead Your Team session is offered on February 14th, 21st, and 28th. Sign up on the HR website!

Account Reconciliation:
The Office of Internal Audit offers training on account reconciliation. A session is currently scheduled for January 17, 2018 from 10:30am- 11:30am at Insight Park, 1st Floor Seminar Room (East End). In this class, employees will learn how to perform monthly account reconciliations for revenue and expenditures (including payroll) in order to be compliant with the Responsibilities of Signatory Officers Policy. This class is

designed for signatory officers as well as other employees who have been delegated the responsibility for reconciling departmental accounts. To register for upcoming sessions, go to our website.

New and Updated Policies

The University of Mississippi Policy Directory is a central location for accessing University policies. Since our last newsletter, the following policies have been implemented or updated:

New Policies:
- Service Centers
- Visitor Conduct

Updated Policies:
- Adverse Events and Unanticipated Problems (Research Studies)
- Book and/or Meal Voucher Requests
- Capital Planning Process
- Cash Receipting and Reporting
- Conflicting Information (Financial Aid)
- Cost of Attendance
- Cost Transfers on Sponsored Projects
- Credits and Grades
- Current Year Aid to Pay a Prior Year Balance
- Disbursement of Financial Aid
- Expected Family Contribution and Dependency Override Professional Judgments and Reviews
- Federal Pell Grant
- Federal Perkins Loans Program
- Federal Supplemental Education Opportunity Grant
- Federal Work-Study
- General Academic Regulations for Graduate Students
- Institutional Requirements (Financial Aid)
- Institutional Review Board Authority
- IRB Review of QA/QI Research
- iStudy (Correspondence Courses)
- Office of Financial Aid Policy Regarding Death of a Student
- Overawards
- Packaging Financial Aid
- Requiring Student Research Participation
- Satisfactory Academic Progress
- Scholarship Appeal
- State Of Mississippi Aid Programs

- [TEACH Grant](#)
- [Verification](#)

<u>Self-Assessment</u>

Self-assessment is a valuable tool to help identify internal control deficiencies and assist in departmental management and audit preparation. The self-assessment consists of a series of "yes" or "no" questions. "Yes" indicates adequate controls in an area, while "no" indicates control deficiencies. Additional control related information is provided below each question to aid in resolving control deficiencies. Links to relevant policies are also included for each section. The self-assessment can be accessed [here](#). For questions not addressed in the self-assessment, please feel free to contact us at 662-915-7017 or auditing@olemiss.edu.

We hope you find the information in our newsletters useful. If you have any suggestions, questions, or feedback, please contact us at 662-915-7017 or auditing@olemiss.edu. Feel free to share our newsletters with those in your department you feel would benefit. You can also visit our [website](#) for more helpful information.