

Gisela Gutierrez

From: Gisela Gutierrez
Sent: Monday, March 07, 2011 4:36 PM
To: 'abmarfia@kellogg.northwestern.edu'; Andrea Munoz; April Williams; 'b-lee@kellogg.northwestern.edu'; 'b-mcdaniel@kellogg.northwestern.edu'; Cathy Gluckman; 'cathy-taylor@kellogg.northwestern.edu'; Claudia Moreno; 'dauphine-gregory@kellogg.northwestern.edu'; Deborah Garcia; 'd-levit@kellogg.northwestern.edu'; 'd-quraishi@kellogg.northwestern.edu'; 'fwalker@kellogg.northwestern.edu'; 'l-nikho@kellogg.northwestern.edu'; 'j-laseman@kellogg.northwestern.edu'; 'j-palmer@kellogg.northwestern.edu'; 'jsheppard@kellogg.northwestern.edu'; 'katrina-swanson@kellogg.northwestern.edu'; 'Nancy McLaughlin'; 'rgu131@kellogg.northwestern.edu'; Sabin Gurung; 'sneff@kellogg.northwestern.edu'; Tari Heap; Taurean Egan-Henderson; 'tsm@kellogg.northwestern.edu'; Katherine Schoell; Greta Pape; Sean Kroll; Lee Ann Searight; Jonathan Rayfield; Ingrid Hoffius; Lindsay Kadish
Cc: Dennis Hareza; Alexa Starr; Sita Parameswaran; David Keown; Dana Brink; Nancy Chapman Rickett; Thom Duncan
Subject: Purchasing Policy Reminder
Importance: High

Dear all,

Just sending out a quick reminder, per last DA meeting held on February 16th.

<http://www.northwestern.edu/userservices/purchasing/policy.pdf>

The above link will give you a more comprehensive view of the Purchasing Policy and procedures

Online vouchers are not to be used to pay invoices on a Direct Payment Request (DPR)

The Direct Payment Request process was designed as a way to request payment for services when the transaction does not warrant the issuance of an official Purchase Order to a vendor, for direct-billed contracted services, for services when it is the normal practice to pay in advance (should be minimal), and for certain special payments such as recurring or international.

DPR Specific examples include:

- Registration fees, Subscriptions, Membership dues
- Repairs (unplanned, emergency)
- Research subject fees
- International check of wire payments
- To open or replenish a petty cash fund

Contracted and Direct Billed Services:

- Use DPR for consultant or contracted staffing agency payments, hotel charges when hosting a conference/academic function, direct bill for visitors travel (on an exception basis).
- Use Contracted Services Form for payments to individual contractors/consultants [**Please note: for security purposes, when sending originals to the Dean's office or scanning for attachment, please make sure the social security number if included on the invoice**].

Note: For those instances where an invoice is paid out, we ask that the person responsible for this invoices signs off on the invoice before scanning for final payment. This will let us know that the person originating this request has seen the invoice and approves the payment.

PROCESSING PURCHASING TRANSACTIONS (page 7 - G of the above link)

The purchase of most goods and services from outside vendors is to begin with the initiation of a Requisition in NUFinancials. **This shall occur at the time the product or service needs to be ordered, not when it is time to pay for the product or service.** A Requisition ID begins with the prefix REQ. A fully approved and budget checked Requisition is then automatically sourced into a Purchase Order that begins with the prefix PUR during normal batch processing (no manual intervention by PRS is necessary in most cases). The official Purchase Order is then sent to the vendor. This process occurs multiple times per day, and once the sourcing process runs, all purchase orders are then almost immediately dispatched to the vendors. This eliminates the need and perceived benefits associated with phone orders and blanket orders. The system provides an appropriate audit trail since all transactions are captured in the system specific to each individual purchase, putting the University in the best position to pay for purchases in a timely manner.

◆ **Importance of a purchase order:**

Starting with a Requisition ensures that an approved and official Purchase Order is issued. An official Purchase Order is the legal document that governs the transaction and properly protects the department/school and University. The terms and conditions specify each party's rights and obligations. Generally, a contract's terms and conditions are called into question only when a dispute arises. However, as the dollar amount of a transaction or the level of risk in the activity (such as potential for injury) increases, so does the likelihood for major disputes and, thus, the need to be appropriately protected.

Verbal purchases (i.e. phone orders) are not considered valid by the University, nor are purchase orders generated through internal department/school systems or means other than NUFinancials. Departments/schools that use these means to initiate purchases with outside vendors assume responsibility for such purchases at their own risk. Departments/schools are also expected to initiate purchases with outside vendors assume responsibility for such purchases at their own risk.

Departments/schools are also expected to follow all associated policies from the Office of the Vice President for Research, when applicable.

T & E's

Please itemize hotel receipts on expense report (i.e. meals, internet, phone usage, etc). If airfare, conference fees or others items are directly paid by NU please also include this on expense report as a non-reimbursable expense. All expense have to be accounted for when submitting the expense report (either paid by traveler or NU).

Contracts

Who signs? Regardless of the dollar amount, all contracts are reviewed by the Office of General Council – John Calkins at john-calkins@northwestern.edu phone: 847-491-6094. Please send an editable version when sending contracts over and include a CC to Dennis Hareza at d-hareza@kellogg.northwestern.edu

Please feel free to contact me if you have any questions on the above policies.

We appreciate your assistance in making sure the proper policies and procedures are followed.

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*Gisela Reyna Gutierrez  
Sr Assoc Dir of Finance & Planning  
Kellogg School of Management  
Northwestern University  
2001 Sheridan Rd  
Evanston, IL 60208*

*Phone: (847) 467-3520  
FAX: (847) 491-5071*

[g-gutierrez@kellogg.northwestern.edu](mailto:g-gutierrez@kellogg.northwestern.edu)