Department Administrative Policy and Procedure

Subject: **Approvals for Finance Transactions**
Effective Date: **July 10, 2023**

I.   PURPOSE

To outline the approvals required for finance transactions at the University of Wyoming and how they are processed.

II.   DEFINITIONS

BPM Worklist: Located within the WyoCloud Financial Management system (WyoCloud), the BPM worklist provides a mechanism to view the status of transactions you have submitted, for both finance and HCM. The [BPM Worklist QRG](#) provides instructions on using the worklist.

Cost Center: A college, division, department, or unit to which costs can be allocated to.

Change Order: A change order is used to modify quantities or amounts, change the chartfield string, or cancel/add lines on Purchase Orders.

Credit Memo: A credit memo is used to initiate a credit to a Purchase Order or a Non-PO Invoice.

1

Expenditure Corrections: Expenditure Corrections provide a way to reallocate and correct an expense or revenue entry after the initial entry was charged to another account.

Expense Report: In the WyoCloud expense module, an expense report is submitted to either reconcile P-card charges or to request reimbursement for valid UW expenses paid by an employee using personal funds. The report must always include the UW business purpose for each expense item. Complete documentation is also required. (Please see the Entering an Expense Report QRG for details).

High Dollar Transaction: Financial transactions over $100,000 paid to external suppliers.

Interdepartmental Transfer (IDT): An exchange of funds between university departments is facilitated through an IDT.

Non-PO Invoices: A Non-PO Invoice may be issued for simple purchases less than $5,000 or specific purchase > $5,000 that do not require to be procured through the purchase requisition process per the Non-PO Invoice Processing QRG.

Procurement Card (P-Card): A payment method where approved card holders are permitted to deal directly with suppliers for purchases using a credit card issued by Procurement Services and to be used only for university business. A pre-established credit limit is in place for each card issued. Purchases made with the card must be in accordance with federal, state, and university statutes, regulations, policies, and procedures. **A P-card may be issued to a non-temporary university employee, a university department, or issued as a ghost travel card to a department.** The formal name of the P-card is Procurement Card.

Purchase Order: Written document sent to a supplier formalizing terms and conditions of a proposed transaction such as a description of the requested items, delivery of schedule, terms of payment, and transportation. Once a purchase requisition is approved, it automatically dispatches to the supplier as a purchase order.

Purchase Requisition: Internal document used to request procurement of goods and services prior to entering into any agreement with a supplier. When approved, the requisition becomes a purchase order. Two options are available: Procurement Catalog Requisition and Non-Catalog Requisition.

III. **ROLES AND RESPONSIBILITIES**

Cost Center Approver (CCA)

A designated university employee is assigned the responsibility to review and approve all transactions affecting their organization's budget. Typically, one of the first or second required approvals on any expenditure.

Principal Investigator (PI)

A PI is the primary individual responsible for the preparation, conduct, and administration of a research grant, or other sponsored project in compliance with applicable laws and regulations and institutional policy governing the conduct of sponsored research.

Project Manager

A Project Manager assists with processing financial transactions for a research grant, or other sponsored project, and assists with activities such as effort reporting and cost transfers. The Project Manager may be the PI or another person in the department (e.g., accountant or business manager).

Accounting Office

The Accounting Office maintains the university financial accounting system; provides financial reporting; maintains financial information on the State of Wyoming accounting system; and provides internal control.

Asset Management

The Asset Management Department's mission is to provide accountability for all university assets in accordance with Federal and State regulations and university policies by developing policies and procedures to safeguard assets; monitoring the acquisition, utilization and disposition of assets; maintaining an accurate and up-to-date inventory system; and ensuring accurate reporting.

Information Technology

The Division of Information Technology provides students, faculty and staff with technology infrastructure and support services – computing systems, networking, technical support for systems and applications, computer support, academic and classroom technology support, training, and telecommunications services.

Procurement & Payment Services Department

The **Procurement & Payment Services Department** encompasses two areas:

- **Procurement Services** organizes and administers a centralized purchasing function in accordance with federal, state, and university regulations, policies, and procedures. This includes purchasing, renting, leasing, or otherwise acquiring any supplies, services, or goods: including all functions that pertain to the acquisition including description of requirements, selection and solicitation of sources. Procurement Services is the final approver in the Purchase Requisition/Purchase Order process.

- **Payment Services** enters all invoices and credit memos for purchase orders in WyoCloud. Payment Services runs the payment processes which initiate payment either by check or ACH, and records completed wire transfer payments. Payment Services is the final approval before payment on Non-PO Invoices and Expense Reports.

Office of Sponsored Programs (OSP)

The Office of Sponsored Programs manages externally funded projects once the award is accepted by all parties. This includes award set-up, billing, financial reporting, monitoring and project closeout.

Risk Management Department

The Risk Management Department is responsible for overseeing insurance coverage, proof of insurance requirements, and the processing of claims for the university.

Tax Office

The Tax Office provides tax guidance and support to the University of Wyoming community.

IV. **POLICY**

A. Regardless of the type of funding, each expenditure (procured or reimbursed) routes through a specific approval workflow within the financial management system prior to payment and posting to the general ledger.

   i. The approval workflow for expenditures is based on the department's **organization number** within the chart of account string.

   ii. Cost Center Approvers are assigned to the organization number. Only one cost center approver can be assigned per organization number.

   iii. Cost Center Approvers are required to approve **all** financial transactions affecting their assigned organization's budget.

   iv. Project Manager's approval is required if research funds are involved. Note: Project Manager could be the Principal Investigator, or someone identified in the department to approve project expenditures.

   v. Procurement and Payment Services is the final approver of financial transactions.

B. High dollar transactions are defined as transactions over $100,000 including requisitions, change orders, and invoices. All requisitions and invoices, regardless of dollar amount, are also all approved by at Cost Center Approver (and possibly other approvers including Project Managers) before being routed through to the highest dollar levels of approval outlined below:

Transaction Amount	Approval Required
$100,000.00 to $499,999.99	Dean/Associate Vice President of organization used in the chart string
$500,000.00 to $999,999.99	Vice President of organization used in the chart string
$1,000,000.00 to $1,999,999.99	President of the University
$2,000,000.00 and above	Board of Trustees (General Counsel or their designated delegate outlined in **Section E** for exceptions may approve transactions on behalf of the Trustees)

1. **Single Funding Source**

   Transactions are assigned to the appropriate authority using the Cost Center Approver document on the Chart of Accounts website. Determination of routing is based on the organization used in the chart string and the dollar amount.

2. **Multiple (Split) Funding Sources**

   Transactions involving multiple funding sources (i.e., the funding on the account is split between two or more different organizations), require **final approval** from all approvers. Example:

   - A $150,000 transaction with contributions of $55,000 from Botany, $45,000 from Chemical Engineering, and $50,000 from the College of Law Dean's Office will route first to the CCA in each area.
   - After the CCAs and the Procurement Agent approve the transaction, the transaction will route to the Dean/AVP level for each cost center.

   In addition,

   - Multiple funding source transactions between $100,000 and $1,999,999.99 require the approval of all involved organization cost center approvers with final approval from all high dollar approvers.
   - Multiple Funding source transactions over $2,000,000 require approval from all necessary cost center approvers with final approval from the Board of Trustees (or their delegate).

C. **Rejected Purchase Requisitions or Non-PO Invoice**
   1. Any purchase requisition or Non-PO invoice that is rejected by anyone in the system approval workflow, regardless of level, are returned to the initial requester for any necessary changes and then will route back through all required approvals once submitted again.

D. **Purchase Order Change Orders**
   1. If a Change Order results in an increase in amount or quantity, approval from the high-dollar transaction's respective Cost Center Approver is required. Any modifications that pertain to a decrease in spending, quantity, or change of requestor do not require additional approval from the Cost Center Approver if the dollar amount remains in its original organization.
   2. If a Change Order places the transaction into a new cost bracket, approver determination will be based on the new total cost.

E. **Exceptions**
   1. Transactions above $2,000,000 and related to the following areas are assigned to the Associate Vice President for Finance for approval:

i. EFTPS and the IRS
ii. State of Wyoming health and life insurance
iii. TIAA CREF
iv. Wyoming Retirement System
v. TouchNet Information Systems Inc.
vi. Other payments determined by the General Counsel to be a routine business transaction, such as payments associated with on-going contracts or MOU's.
vii. Change Orders that cause a Purchase Order to exceed the $2,000,000 total cost threshold.

2. This exception is at the direction of the General Counsel. These payments are considered routine business at the university and uses funds the university is obligated to pay (e.g., payroll and benefits costs). For any transaction, the Associate Vice President for Finance has the authority to reassign the transaction directly to General Counsel if deemed necessary.

3. In the case that the approval process is not specified in this policy, the requisition will be routed to the Associate Vice President of Finance for consultation regarding the necessary approval process.

VI. TRANSACTION APPROVAL TYPES AND PROCESSES

The transaction approval types and processes are explained at a high level below.

i. **Credit Memo Processing – applies credit to a Purchase Order or Non-PO Invoice**
   (a) Credit Memo processing for Purchase Orders is initiated by Payments Services and no further approval is required. Accounting personnel need to send Purchase Order Credit Memos to accounts-payable@uwyo.edu for processing, unless they are uploaded automatically by suppliers that are set-up for the process, e.g., CDW-G, Office Depot, and Fastenal.
   (b) Credit Memo processing for Non-PO Invoices is initiated by department personnel and follows the normal approval chain plus the department accountant (if not the initiator). Payment Services audits the Non-PO credit memo in the final approval step within WyoCloud.
   (c) The Process Credit Memos QRG provides detailed information.

ii. **Expenditure Corrections Processing Approval**
   (a) Expenditure Corrections may be processed for IDTs, Deposits, and Invoice Payment or Expense Reports. Expenditure Corrections are not processed through WyoCloud, but instead are processed via the Expenditure Correction Form found under Accounting Office in the following manner:
   (b) **Non-Sponsored Project Fund Corrections**: The fillable form is submitted to WyoCloud Corrections (an email to the initiator and WyoCloud Corrections is generated upon pressing submit).
   (c) **Sponsored Project Fund Corrections**: The fillable form is submitted to OSP Expenditure Corrections (an email to the initiator and OSP Expenditure Corrections is generated upon pressing submit).
   (d) The Expenditure Correction Process QRG details the steps of processing an Expenditure Correction.

iii. **Expense Report Processing Approval**
- (a) The Expense Report Business Process Guide provides detailed information about creating expense reports, reconciling P-card charges, requesting cash advancements/reimbursements, and managing travel-related expenses, in addition to the expense report approval process and use of the WyoCloud Expenses Module.
- (b) In summary, Expense Reports are approved via a Tier 1 Approver and Payment Services Auditor:
  - (i) *Tier 1 Approver (Cost Center Approver, Individual Approver, Project Manager)*
    1. Reviews incoming expense reports and transactions to ensure they are appropriate and in line with university policies.
    2. Approves or denies submitted expense reports in a timely manner. In some cases, routes the report to others for additional approval.
    3. Ensures expense reports are filled out properly and completely; double checks that all relevant documentation is attached.
    4. Reaches out to preparers/owners to gather additional information if there is a question about an expense (where applicable).
    5. Monitors expenses in the WyoCloud system to ensure the unit or department stays within budget.
    6. Tracks any outstanding transactions; reports and follows up accordingly.

  - (ii) First line of defense for detecting and preventing transaction fraud.
- (c) *Payment Services (Auditor)*
  - (i) Provides final approval after Tier 1 approval is complete.
  - (ii) Makes payment to the bank for reconciled P-card charges.
  - (iii) Processes payment during the next cycle.

iv. **IDT Processing Approval**
- (a) IDTs do not process automatically through the WyoCloud approval workflow. Instead,
- (b) After all sections on the IDT are completed by the revenue and expense department, the IDT is emailed to IDT-Accounting@uwyo.edu for review, approval and uploading to WyoCloud.
- (c) When emailing the IDT form to the accounting office, the department submitting the IDT should cc the person who initiated the IDT to ensure that he or she has the information for their records.
- (d) The Completing an Interdepartmental Transfer (IDT) QRG details the steps of processing an IDT.

v. **Non-PO Invoice Processing Approval**
- (a) Non-PO Invoices process through the WyoCloud approval workflow in the following manner:
- (b) Department's Cost Center Approver and PM (Project Manager) if project funds are used.
- (c) Others as added by the initiator or approvers in the WyoCloud approval workflow.
- (d) Payment Services is always the final reviewer/approver of Non-PO Invoices.

      vi.   <u>**Purchase Order Change Order Processing Approval**</u>

        (a) A change order triggers the WyoCloud approval workflow if the amount or quantity increases, or if there are changes to the account being charged. All other changes, e.g., less quantity/amount will result in an automatic approval process.

        (b) The Project Manager and CCA receive approval notification for any change. The Buyer is bypassed for decreases and receives an approval for increases. The original intent was the CCA/PI would need to know of any changes and the Buyer was only concerned if there was increase.

        (c) PO Change Order greater than $100,000, see [High Dollar Purchase Order Change Orders](#).

      vii.   <u>**Purchase Requisitions Processing Approval**</u>

        (a) Purchase Requisitions less than $100,000 process via the WyoCloud approval workflow to the original Cost Center Approver and/or PM (Project Manager. Based on the type of purchase (goods/services), the Purchase Requisition will flow automatically through Information Technology, Risk Management, Tax Office, Asset Management, and Real Estate.

        (b) Purchase Requisitions greater than $100,000, see [High Dollar Approvals](#). Additional approvals from Information Technology, Risk Management, Tax Office, and Asset Management are also involved in the process depending on the type of goods/service.

VII. <u>ADDITIONAL APPROVAL TYPES AND CHANGES TO APPROVERS</u>

a. Because of their critical fiduciary role at the university, additional training is required, and changes to the CCA designation must be reviewed by the WyoCloud team and approved by the Vice President for the Cost Center Subdivision for final approval.

- The Change Cost Center Approver QRG details the steps of requesting a change to the CCA.

b. Changes to a Project's PM should be directed to the Office of Sponsored Programs.

Responsible Division/Unit: Financial Affairs
Source: None
Links: None
Associated Regulations, Policies, and Forms: None