



ACCOUNTING POLICIES AND PROCEDURES MANUAL

UNIVERSITY OF FLORIDA DEPARTMENT OF MICROBIOLOGY AND CELL SCIENCE
CHAIR, DR. ERIC TRIPLET JANUARY 2017



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1. Overview

The mission of the IFAS Department of Microbiology and Cell Science at the University of Florida is to generate new knowledge in microbial, molecular, cellular, and computational biology and to extend our knowledge to undergraduate and graduate students as well as the general public. We strive to conduct competitive and state-of-the-art science to address many of today's important biological problems. We take pride in the diversity of our student body, faculty, and curriculum. Our curricula at the graduate and undergraduate levels are intended to prepare our students for positions in academia, biomedical sciences, industry, and government. We foster and encourage collaborations with other units at UF as well as with other scientists at many institutions around the world.

Employment figures as of January, 2017 are as follows:

Full-time employees: 66, broken down as follows: 32 faculty, 18 TEAMS/USPS, and 16 Post-doctorals

Part-time employees: 25

Graduate Assistants: 48

The Chair of the Department is Dr. Eric Triplett. The graduate student coordinator is Dr. Tony Romeo. The undergraduate student coordinator is Dr. Monika Oli.

The Fiscal and Administrative Office consists of the following staff:

Manager, Finance, Position #00014697, Christine Gough

Financial Analyst II, Position #00024295, Sean Davis

Accountant II, Position #00029634, Michael Turner

Administrative Support Assistant II (HR Functions), Position #00014695, Mary Jane Lukas

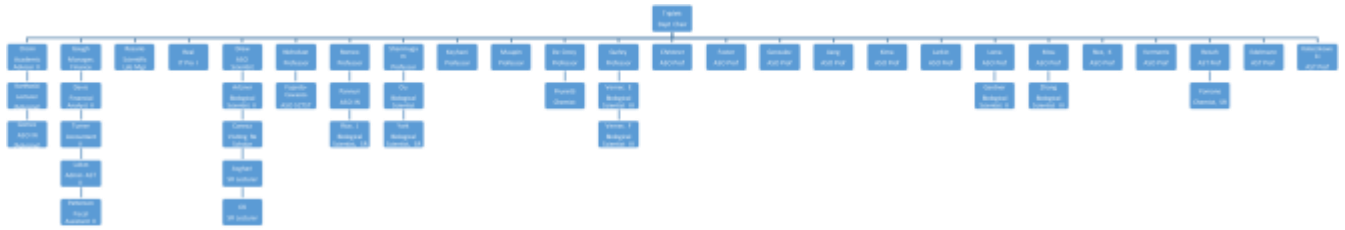
Fiscal Assistant II, Position #00015410, Phyllis Patterson

Academic Advisor II, - position #00028360, Jonathan Orsini

IT Professional I, Position #00025063, Javier Real

OPS Student Workers

2. Organizational Chart



This chart can be found on the Microbiology and Cell Science web page at: www.microcell.ufl.edu

3. Core Business Functions and Processes

3.1 REVENUES

See department specific policies and procedures, section 4.1

3.2 PAYROLL AND PERSONNEL ADMINISTRATION

1. Introduction and Contact Information
2. Definitions
3. General
4. Responsibilities
5. Payroll Requirements
6. Maintaining Effective Internal Control
7. Payroll Schedules
8. Payroll Reports
9. Direct Deposit
10. Wage Overpayments
11. Emergency Payroll Checks
12. Lost Checks
13. Beneficiary Payments
14. Sick and Vacation Leave Payments

1. Introduction and Contact Information

- A. University Payroll and Tax Services is a unit of the University Controller's Office which processes the University of Florida payroll, creating pay checks and electronic funds transfers for direct deposits for employees and payments to payroll vendors for employee benefits and payroll deductions. This office is also responsible for the following:
- Direct deposits
 - Garnishments
 - Wage refund calculations
 - Distributions
 - Payroll accounting
 - Time and labor
 - Cashouts and beneficiary payments
- B. University Payroll and Tax Services is located in Suite 1250, East Campus Office Building. Please call 352-392-1231 if you need assistance.

2. Definitions

- A. Cost Distribution– A payroll account code that translates to the chartfield string where payroll costs are recorded in the general ledger.
- B. EFT– Electronic fund transfer or direct deposit of wages into a specified bank account instead of issuing a paycheck.
- C. Exception Time– Any time that does not represent time worked, e.g. vacation, sick leave, administrative leave.
- D. Exempt Employee– An employee who is exempt from the Fair Labor Standards Act overtime payment provisions.
- E. FTE– Full time equivalent. If you are hired to work 100% of the normal or standard workweek (a full-time position), you will have an appointment of 1.0 FTE.
- F. Non-exempt Employee– An employee who must comply with the Fair Labor Standards Act overtime payment provisions. All hourly USPS and TEAMS classifications are designated as non-exempt and as such require that time worked be recorded on an hourly basis. In addition, all hourly OPS employees appointed through Human Resources Services or as student assistants are non-exempt.
- G. Off Cycle– Emergency checks issued on other than regularly scheduled pay dates.
- H. On Cycle– Payroll processed on the regularly scheduled biweekly pay dates.

- I. OPS– Other Personnel Services. OPS positions are temporary and do not come with benefits.
- J. Pay List– Payroll listing available through Enterprise Reporting (Enterprise Reporting > Access Reporting > Human Resources Information > Pay Information > Current Pay Cycle > Delivered Payroll Paylist Reports > Final (or Preliminary) Payroll Listings) which provides a list of employees and identifying information, including the amount, paid on a specific pay date.
- K. TEAMS– Technical, Executive, Administrative, and Managerial Support, one of three pay plans at the University of Florida; the other plans are Academic Personnel and USPS. All new staff hires (non-OPS) starting January 7, 2003 are in TEAMS.
- L. Time and Labor – myUFLsystems module where employees record time worked and leave taken.
- M. USPS – University Support Personnel System. One of three pay plans at the University of Florida; the other plans are Academic Personnel and TEAMS. USPS employees include only those hired prior to January 7, 2003, who had not elected to move to TEAMS employment.

3. General

- A. The University of Florida uses the myUFL Time & Labor and Payroll modules to collect time and pay employees. All employees are paid on a bi-weekly schedule. This schedule and other useful payroll information are located on the University Payroll and Tax Services site. Other useful and relevant information can be found on the UF Human Resource Services web site.
- B. An exempt employee’s time is loaded to Time & Labor based on the employee’s Full Time Equivalent (FTE). Exempt employees’ work time does not require approval except when “exception time” is recorded by the employee. When this occurs, the employee’s supervisor or designated person is required to approve “Payable Time”. When approved, Payable Time is loaded to the Payroll module for processing the employee’s pay.
- C. All non-exempt (hourly) employees are required to input their time in Time & Labor for processing in Payroll. Depending on the method selected by an employee’s department, the employee will enter his time using Web Clock or Weekly Punch Time, which are time reporting options in the Time & Labor module for non-exempt employees. However, regardless of the method selected by the department for reporting time, all leave for employees with leave benefits will be reported in Weekly Elapsed Time. All non-exempt employees’ time requires approval each pay period.
- D. The qualifying time processed for an employee’s wage payment is used to accrue vacation and sick leave, if the employee is in a benefit plan that includes vacation and sick leave.

4. Responsibilities

- A. University Payroll and Tax Services is responsible for processing the Office of Human Resource Services and Student Employment data to pay University employees and certain non-wage payments via the myUFL Payroll and Time & Labor modules. UF Enterprise Systems provides the technical support to the Office of Human Resource Services, Student Employment and University Payroll and Tax Services.
- B. The Department Heads are responsible for assuring that new hires and employee record changes are processed timely and accurately by the appropriate staff in their departments. This assures that employees may be properly paid. Accordingly, the following is encouraged:
 - 1. Departmental employees processing new hires and making changes to employee records have been properly trained. Information about available classes, tutorials, and instruction guides on how to use myUFL systems can be found on the Enterprise Systems website. Human Resource Services provides training and organizational development for UF faculty and staff on many topics. More information is on the Human Resources Services website.
 - 2. Employees processing time either for themselves or for employees in their department have been trained for their role in using the Time & Labor module. Proper training enables the correct use of Time Reporting Codes (TRC) and assures accurate pay and employee vacation and sick leave accruals and balances. There is a Time & Labor Listserv for payroll approvers and processors; employees with the UF_TL Approvers and UF_TL Payroll Processor security roles will automatically receive these listserv messages since it is based on security roles.
 - 3. Employees charged with the responsibility for approving Payable Time review the employee records and approve the time in accordance with the established payroll schedule. It is important that approvers, in addition to approving payable time, review group exceptions (Manager Self Service > Time Management > Approvals > Manage Group Exceptions). High level exceptions will prevent payment to an employment; therefore, it is important that these exceptions are reviewed and corrected before the end of the pay cycle. The instruction guide Managing Exceptions in Time and Labor on the Human Resource Services website provides additional information.
 - 4. Departmental employees understand when and how Preliminary Paylist, Paylist (final) and Cost Distribution Registers should be reviewed to assure that departmental employees are properly paid and payrolls costs have been recorded properly in the general ledger (Enterprise Reporting > Access Reporting > Human Resources Information > Pay Information).
- C. The employees are responsible for recording their time in Time & Labor or on a time card, as applicable, exempt and non-exempt, as applicable in accordance with the University policy.

Where errors occur, employees should immediately contact their departmental payroll staff for the appropriate corrective action in a timely manner. Employees should be encouraged to review their pay checks online prior to pay date to assure its accuracy (My Self Service > Payroll and Compensation > View Paycheck). Descriptions of the earnings codes on an employee's check can be found under "Detailed List of Earnings and Deduction Codes" at Paycheck Codes. Changes to Form W-4 may be made online (My Self Service > Payroll and Compensation > W-4 Tax Information). In accordance with University policy, employees are required to enroll in direct deposit and have their wages deposited to the financial institution of their choice.

5. Payroll Requirements

- A. In order that new employees receive their payments on time the department should ensure that the following has occurred:
 - 1. The employee's human resource records have been submitted and properly approved.
 - 2. The employee has been enrolled in the Time & Labor Module and their time recorded timely in accordance with the payroll schedule.
 - 3. The employee's Payable Time has been approved in accordance with the payroll schedule.

6. Maintaining Effective Internal Control

- A. It is the department's responsibility to ensure that proper internal controls are maintained relative to the payroll function.
- B. Payroll and leave information should be reviewed as appropriate to ensure that employees are being properly paid and leave usage is properly recorded.
- C. The Office of Internal Audit, other auditors, and/or Controller's office staff will periodically visit departments to determine that appropriate internal accounting controls are in place.
- D. If you have any questions about the payroll controls, please contact the Payroll and Tax Services Office at 352-392-1231.

7. Payroll Schedules

- A. Payroll Processing Schedule (Regular Schedule)

Time Administration (processed centrally for the University)	Processes nightly except first day of new pay period, then it is processed on Sunday to create Payable Time from time entered since Time Administration last processed.
Time & Labor: Approve Payable Time (Manager Self Service > Time Management > Approvals > Approve Payable Time)	Daily. To view pay check results in Review Paycheck and preliminary payroll, Payable Time must be approved by Tuesday (2nd week of pay period).
Approved Time Loaded to Payroll (processed centrally for the University)	Tuesday-Thursday nights, 2nd week of pay period, and when Payroll and Tax Services performs a payroll calculation on Friday following the pay period end.

8. Payroll Reports

A. Payroll Reports – Access via Enterprise Reporting

Preliminary Paylist	Generally on Wednesday through Friday morning of the week that includes the pay end date.
Final Paylist	Monday morning of the pay date week.
Cost Distribution	Generally on Tuesday of the regular pay date week.

9. Direct Deposit

A. University rule 6C1-3.0422 provides the following relative to direct deposit of employee pay:

1. The following describes the direct deposit requirement for all University of Florida employees. Direct deposit is the electronic transfer of net salary and travel expense reimbursements into University of Florida employees' personal checking or savings account at United States financial institution.

2. All employees, including temporary hires and non-work study students, are required to participate in the Direct Deposit Program as a condition of employment, regardless of date of hire.
 1. The University of Florida Direct Deposit Authorization form, FA-PS-DDA, is incorporated herein by reference. The form should be completed and returned to the department as part of the New Hire Packet.
 2. Federal Regulations, Work-Study students are not required to participate in the Direct Deposit Program, but they are strongly encouraged by the University of Florida to participate.
 3. The direct deposit data remains active in the myUfl system until it is changed by the employee or one year after separation of employment.
 4. Employees are required to make a change to their direct deposit account information should there be a change in their financial institution.
 5. Employees can change or EDIT an existing balance account online (My Self Service > Payroll and Compensation > Direct Deposit), or a Direct Deposit Authorization form can be faxed to Payroll and Tax Services. These forms may be accessed on the Finance and Accounting website as well as Human Resource Services.
 6. Employees are not required to change direct deposit information in myUfl when changing hiring authorities, pay plans, or job titles within the University of Florida.

10. Wage Overpayments

- A. Overpayments can be prevented with timely terminations/job actions and careful review and correction of employee Time & Labor records. Several tools are available to help departments review paychecks such as the Preliminary Paylists and Final Paylists. Preliminary Paylists are available on Wednesday, Thursday and Friday during the week that includes the pay end date and will reflect a non-exempt employee's approved hours in the system as of the prior day and an exempt employee's regular and approved exception hours as of the prior day. Any Additional Pay entered by the department and approved by Levels 1 and 2 as of the prior day will also be included on the Preliminary Paylists. Final Paylists are available on the Monday of pay date week and represent the hours and any Additional Pay that an employee will receive for that pay period. Timely review of the Paylists by staff who are knowledgeable about the department's employees and the pay they should receive is the best safeguard to prevent wage overpayments.

- B. For active employees that receive an overpayment due to a change in time worked, the time should be corrected via the Report Time function. This correction will result in an adjustment on the next paycheck. Contact University Payroll and Tax Services if the change will result in the employee receiving a negative paycheck for the next pay period.
- C. If the overpayment occurs due to an employee termination, University Payroll Services will need to be contacted immediately; with timely communication, the payment can be cancelled before the employee receives the erroneous amount.
 - 1. If the employee receives a direct deposit, an Advice (EFT) Cancellation Request form will need to be completed. The deadline for direct deposits to be cancelled is 5:00PM on the Monday following the payroll closing.
 - 2. If the employee receives a paper check, a Check Cancellation Request form will need to be completed. If University Payroll and Tax Services Services is notified prior to mailing checks to employees, the check will be removed and voided by payroll staff.
- D. When an employee receives an overpayment which cannot be corrected via Report Time, a Wage Refund Calculation Request form will need to be completed. After the calculation is complete it will be e-mailed back to the appropriate departmental contacts for communication with the employee. The employee will then need to make a check payable to the University of Florida and send it to University Payroll and Tax Services. Once the full amount owed has been received, the overpayment check will be reversed in MyUFL within 3 weeks.
 - 1. Employees will have to repay the net pay from the check they received. If the employee has any garnishments, credit union or deferred compensation deductions these will also need to be repaid to the University by the employee. Additionally, if the employee has terminated from UF and since such time has withdrawn FICA Alternative funds from BENCOR, they must repay that portion of the overpayment.
 - 2. If the employee's repayment is not received within the same calendar year as the overpayment, any Federal Withholding paid on the net amount overpaid will also be due back to the University. Adjustments may require additional tax reporting.
- E. It is the department's responsibility to contact the employee regarding the overpayment. If the employee has not repaid the overpayment within four (4) weeks, he will be sent a certified letter by University Payroll and Tax Services. If payment is not received within ten (10) days of receipt of the letter, the next action depends on whether the employee is a current employee or a terminated employee.
 - 1. If the employee is active, the department will be contacted so they may advise the employee that the overpayment will be deducted from his paycheck(s). University Payroll and Tax Services will use a deduction code of PRDEBT for this deduction.

2. If the employee is terminated and does not contact University Payroll and Tax Services to set up a repayment plan, the matter is referred to a collection agency. The collection agency adds a collection fee to the amount currently owed by the employee.

11. Emergency Payroll Checks

- A. University Payroll Services will process emergency (off-cycle) checks during the pay day week for a check on the regular pay day. Additionally, emergency checks will be processed the week after pay day week, for a check on Friday following the regular payday. All emergency checks are physical checks and are not direct deposits. It is important for employees to maintain current mailing addresses in the UF Directory since emergency checks are mailed on Thursdays. An Off-Cycle Check Request form must be submitted for each request.
- B. Deadlines for Emergency (Off-Cycle) Requests:
 1. By 4 PM on Tuesday of pay day week for a check to be mailed on Thursday before pay day.
 2. By 4 PM on pay day (Friday) for a check to be mailed the following Thursday.
 3. These dates, as well as other critical dates, are included in the Time & Labor listserv email that is sent on Mondays before the end of the pay period. Changes to these deadlines that result from holiday schedules are published in the Time & Labor listserv. This is a dynamic listserv that is sent to all employees with the security roles of UF_TL Approver or UF_TL Payroll Processor.
- C. Emergency (off-cycle) Check Request Requirements:
 1. Emergency check requests will not be approved without a distribution on all employee records for which an emergency check has been requested.
 2. The employee was paid less than 80% of his regular wages (based on FTE). However, if the non-exempt employee did not enter their time worked, an emergency check will not be approved, regardless of the percentage of the underpayment. Where time worked is not approved by the supervisor AND the employee is paid less than 80% of his regular wages, an emergency check will be issued. Supervisors need to be diligent in approving time and be sure that a backup approver is available if the supervisor is unable to approve the time. This is critical so that a financial hardship is not created for the employee.
 3. Additional Pay does not qualify for an emergency check with the exception of fellowships and other payments where the additional pay is the employee's only

source of income from the University. If the additional pay meets this requirement, then the Goal Balance must be updated in Additional Pay before the emergency check can be processed.

4. Request must be received by the stated deadline.
5. The department must enter corrections in Time & Labor, prior to requesting an emergency check, to reflect the time to be paid on an emergency check. The following guidelines should be followed for the time requested to be paid on the emergency check:
 - a. If time is schedule loaded, change the Time Reporting Code (TRC) to "NOPAY" in Time & Labor unless the emergency check is requested as a result of Payable Status reading "Closed" or "Rejected by Payroll".
 - b. If time is input using Punch Time or Web Clock, delete all hours requested to be paid on the emergency check unless the emergency check is requested as a result of Payable Status reading "Closed" or "Rejected by Payroll". This time must be entered on a time card and signed by the employee and supervisor. As an alternative, print the time in Weekly Punch Time prior to removing it from Time & Labor for the employee and supervisor to sign. The time card or printed copy of the Time & Labor record must be retained by the department for three (3) fiscal years.

12. Lost Checks

- A. If an employee's check has been lost or destroyed, please complete the Affidavit for Duplicate Check/Payroll form. The completed and notarized original form should be sent to Payroll and Tax Services, P.O. Box 113201, Gainesville, FL 32611 so that a replacement payment may be issued.

13. Beneficiary Payments

- A. In the event of an employee's death, the employee's department should notify Payroll and Tax Services immediately. Any accrued wages, annual leave, sick leave, and special compensatory leave may be paid to the decedent's beneficiary, estate, or as otherwise provided by law.
- B. The beneficiary must sign an affidavit before a notary to receive the payment due from the University of Florida. If the monies are due an estate, the proper legal documents are to be submitted to Payroll and Tax Services through the employee's department.

- C. The employee's department will need to contact the Payroll and Tax Services office at 352-392-1231 and speak to the person who processes beneficiary payments. The department will be advised on immediate action required and sent correspondence requesting other information needed to pay any other amounts due the employee's beneficiary or estate.
- D. The beneficiary payment documents have no scheduled submission date and payments are processed on a supplemental payroll schedule approximately five working days after receipt of the documents by Payroll and Tax Services.
- E. Federal withholding tax is not withheld from payments made to beneficiaries.
- F. Beneficiary wage payments which are made in a year subsequent to the year of the employee's death are not subject to FICA taxes. However, beneficiary payments made in the same year as the employee's death are subject to FICA taxes.
- G. The payment will be mailed to the beneficiary when it is processed.

14. Sick and Vacation Leave Payments

- A. Sick leave payment (Not eligible for payment until leaving the university)
 - 1. *For employees hired prior to 04/01/2010:* Upon separation, an employee with ten (10) or more years of creditable service shall be paid for one-fourth of unused sick leave accrued after October 1, 1973, up to a total of 480 hours. Sick leave is paid at the rate of pay at the time the employee leaves the university. Upon reemployment by the University within 180 days or upon recall by the University within 365 days, all unpaid sick leave shall be restored. An employee with fewer than ten (10) years of service shall be not be paid for any unused sick leave and such leave shall be forfeited unless reemployed by the University within 180 days or recalled by the University within 365 days.
 - 2. *For employees hired on or after 04/01/2010:* There is no payment for unused sick leave upon separation, and such leave shall be forfeited unless the employee is recalled by the University within 365 days after a formal University layoff.
- B. Vacation leave payment (not eligible for payment until leaving the university, entering DROP, or changing from a 12-month to a 9-month salary plan)
 - 1. An eligible employee shall be paid for all unused vacation leave hours up to the maximum payment allowed for the employee's pay plan. Upon recall by the University within 365 days after a formal University layoff, the employee shall have all unpaid vacation leave restored, and any vacation leave paid at time of separation also shall be restored upon repayment.

- C. The lump-sum payment for unused sick and/or vacation leave is normally paid within 30 to 60 days of termination and is a separate payment from the employee's salary payment. It is the responsibility of the department to initiate the payment in the myUfl system. Upon separating from the university or entering DROP, unused leave payments in the amount of \$2,000 or greater will be deposited in the Special Pay Plan, a 401(a) retirement plan. Participation in the Special Pay Plan is mandatory.

3.3 PROCUREMENT AND DISBURSEMENTS

Procurement

1. Introduction and Contact Information
 2. Definitions
 3. Procurement Services Responsibilities
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 5. Code of Ethics and Standard of Conduct
 6. Employee Conflict of Interest
 7. Gratuities
 8. Monetary Levels and Limits
 9. Unauthorized Purchases
 10. Exemptions from Competitive Procurement Requirements
 11. Other Non Competitive Purchases
 12. Making a Purchase
 13. Guidelines for Certain Types of Purchases
 14. Leases
 15. Construction
 16. Sustainable Procurement
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1. INTRODUCTION AND CONTACT INFORMATION

1. University Procurement and Disbursement Services is a unit of the University Controller's Office, also known as Finance and Accounting. While Procurement and Disbursement Services is a single combined unit designed to ensure that the procurement and payment process is as seamless as possible, this section of the Directives and Procedures will focus on the procurement or purchasing process as the following section focuses on payment or disbursement.
2. The intent of these Directives and Procedures is to provide the campus community with uniform and consistent direction relative to appropriate purchasing procedures and practices for the acquisition of commodities, contractual services and construction. University Procurement Services will be glad to assist with procurement and purchasing issues and can be reached at 352-392-1331.

3. Section 1001.74 (5), Florida Statutes, grants acquisition authority to the University Board of Trustees. Section 1001.75(5), Florida Statutes, delegates responsibility for the purchasing function to the University President or their designee(s). Florida Administrative Code, 6C1-3.020 establishes the Procurement Rules for administration of a purchasing program at the University of Florida.
4. Procurement involves the acquisition of equipment, furnishings, supplies, construction services, maintenance services, professional services, contractual services, and the lease of space for the University within pre established budgetary constraints. Procurement functions also include preparing budget estimates; preparing bid specifications; initiating formal quotations, proposals and bids; conducting public bid openings; evaluating bids; and negotiating and awarding contracts.
5. Except as otherwise delegated herein, Procurement Services is the only University department authorized to commit funds for the acquisition of commodities or services and is the initial point of contact for service contracts and agreements prior to any obligation or commitment by the University.
6. It is the intent of the University to acquire quality goods and services within reasonable or required time frames, while promoting fair and open competition in the public procurement process. Responsible purchasing officials shall be protected from improper pressures of external political or business interests. The process shall reduce the appearance and opportunity for favoritism, ensure that contracts are awarded equitably and economically, and establish management oversight in the acquisition of commodities and contractual services, in order to preserve the integrity of public purchasing and contracting. The opportunity to bid on University contracts is a privilege, not a right.

2. DEFINITIONS

- A. Amount Only PO - It is a purchase order (PO) for an unspecified quantity of a product or service over a time period.
- B. Artistic Services - Services provided by an individual or group of individuals who profess and practice a skill in the area of music, dance, drama, folk art, creative writing, painting, sculpture, photography, graphic arts, web design, craft arts, industrial design, costume design, fashion design, motion pictures, television, radio or tape and sound recording or in any other related field.
- C. Business - Any corporation, partnership, individual, sole proprietorship, joint stock company, joint venture or any other private legal entity which has commodities and/or services available under specifications required by the University.
- D. Commodity - Any of the various supplies, materials, goods, merchandise, food, equipment or other personal property, including a mobile home, trailer or other portable structure, which are purchased,

leased, lease-purchased or otherwise contracted for by the University. Commodity also includes interest on deferred-payment contracts entered into by the University for the purchase of other commodities. Printing of publications, vehicles and software and license agreements shall be considered commodities.

- E. Competitive Bid/Proposal - The response submitted to an Invitation to Bid (ITB), Request for Proposal (RFP), or an Invitation to Negotiate (ITN) by responsive and qualified bidders or offerors.
- F. Competitive Negotiation - The establishment of a contract through deliberation, discussion or conference on the specifications, terms and conditions of a proposed agreement.
- G. Competitive Solicitation - An Invitation to Bid (ITB), Request for Proposal (RFP) or Invitation to Negotiate (ITN) to competitively select a contractor or supplier.
- H. Construction - Construction means the building, altering, improving, repair, or demolishing of any real property owned or leased by the University.
- I. Contract - Any agreement or purchase order for the purchase or disposal of commodities or services.
- J. Contractor/Supplier - A person or firm who contracts to sell commodities or contractual services to the University.
- K. Contractual Service - The rendering by a contractor of its time and effort rather than the furnishing of specific commodities. The term applies only to those services rendered by individuals and firms who are independent contractors. Contractual service does not include labor or materials for the construction, renovation, repair or demolition of facilities.
- L. Definite Quantity Contract - A contract to furnish a specific quantity of an item or items at a specified price and time. The contract is fulfilled by delivery and acceptance of the specific quantity at the University, on such place designated in the contract.
- M. Department - A budget entity, which has been assigned a departmental ID, and fund by the University.
- N. Duplicating - The process of reproducing an image or images from an original to a final substrate through the electro photographic, xerographic, laser, or offset process or any combination of these processes, by which an operator can make more than one copy without rehandling the original.
- O. Emergency Purchase - The purchase of commodities or services due to a danger to the public health, the safety or the welfare of person(s), animal(s), the preservation or protection of property, or the continuance of a vital University function. Note that emergency purchases can only be applied to unforeseen events; a lack of planning does not constitute an emergency.
- P. Extension - An increase in the time allowed for the performance of the contract.

- Q. F.O.B. - The term literally means "free on board". It is defined as the time and place of the actual transfer of title to the goods from seller to buyer. F.O.B. Destination means legal title passes to the buyer at the time the shipment of goods is delivered by the carrier. F.O.B. Shipping Point means legal title and risk of loss passes to the buyer at the time of shipment of goods is delivered to the carrier.
- R. Identical (Tie) Bids - Two or more bids which are equal in all respects as to price, quality, service, and terms and conditions.
- S. Information technology resources - all equipment, hardware, software, firmware, programs, systems, networks, infrastructure, supplies, media and related material, services, personnel and facility resources used to automatically, electronically, and wirelessly collect, receive, access, transmit, display, store, record, retrieve, analyze, evaluate, process, classify, manipulate, manage, assimilate, control, communicate, exchange, convert, converge, interface, switch, or disseminate information of any kind or form.
- T. Independent Contractor - A person or firm who provides a commodity or service to the University but does not have any employment or other relationship or connection with the University, except as provided in s. 112.313, Florida Statutes (F.S.).
- U. Invitation to Bid (ITB) - A written solicitation for competitive sealed bids, designating the title, date, and hour of the public bid opening and also defining the commodity, group of commodities or services.
- V. Invitation to Negotiate (ITN) - An invitation extended to prospective contractors, whether by advertisement, written solicitation, electronic media or any other form of communication, to define the specifications, terms and conditions of a contract for commodities or contractual services.
- W. Minority Business Enterprise - A business concern as defined in s. 288.703(2), F.S.
- X. President - The chief executive officer of the University, responsible for its operation and administration.
- Y. Public Entity Crime - A violation of any state or federal law by a person in the transaction of business with any public entity of any state or with the United States government involving antitrust, fraud, theft, bribery, collusion, racketeering, conspiracy or material misrepresentation.
- Z. PCard (Procurement Card/Procurement Card) - A PCard is a method of purchasing official university-related, low-cost, non-capital commodities and services, such as office supplies, travel expenses, utility and telecommunication expenses and is issued to University employees.
- AA. Printing - The transfer of an image or images by the use of ink or similar substance from an original image to the final substrate through the process of letterpress, offset lithography, gravure, screen printing, or engraving. Printing shall include the process of and the materials used in binding. Printing shall also include duplicating when used to produce publications.

- BB. Purchase - An acquisition of commodities, services or licenses obtained by purchase order, contract or other authorized purchasing method, whether by rent, lease, installment, lease-purchase or outright purchase.
- CC. Procurement Activity - A University function delegated to Procurement Services by the University President, to develop descriptions/specifications, selection and solicitation of sources, and prepare award of contracts for commodities and services.
- DD. Procurement Officer - A person, delegated the authority by the University President, to enter into, award, modify or terminate contracts and make related determinations and findings. The term includes any authorized representatives of the purchasing officer acting within the limits of their authority.
- EE. Purchases for Resale - The purchase of commodities or contractual services acquired for the purpose of re-selling them to third parties in the course of University business.
- FF. Quotation - A written or verbal offer for commodities or services not requiring a public opening at a specific date and time.
- GG. Renewal - Contracting for an additional period of time after the initial contract term, provided the original terms of the agreement specify an option to renew.
- HH. Request for Proposal (RFP) - A written solicitation for competitive proposals for commodities or contractual services with the title, date, and hour of the public opening. The request for proposal is generally used when the scope of work is not clearly defined.
- II. Responsive and Qualified Bidder or Offeror - A contractor/supplier who has submitted a bid or proposal that conforms in all material respects to a competitive solicitation.
- JJ. Sole Source Purchase - A purchase of commodities or services that are non competitive, i.e. product or services being purchased must perform a function for which no other product or source of services exists.
- KK. Term Contract - A contract for the purchase of commodities or contractual services over a prescribed period of time.
- LL. Valid Response - A responsive offer in compliance with bid specifications and conditions.
- MM. Vehicles - Includes any automobile, truck, motorcycle, bicycle, golf cart, watercraft or other vehicle designed primarily for transporting persons as well as construction vehicles or farm equipment.
- NN. Supplier/Contractor - A person or firm who contracts to sell commodities or contractual services to the University.

3. PROCUREMENT SERVICES RESPONSIBILITIES

- A. The University President has delegated the following contracting duties to Procurement Services:
1. Canvass all sources of supply and contract for the purchase, lease, or acquisition in any manner of all commodities, construction, installment, lease-purchase and services required by the University, under competitive bidding or contractual negotiation. Installment- or lease- purchase contracts may provide for the payment of interest on unpaid portions of the purchase price.
 2. Remove any contractor from the University's competitive vendor list that fails to respond to three (3) or more invitations or to fulfill any of its duties specified in a contract with the University and to reinstate any such contractor when satisfied that further instances of default will not occur. A "No Bid" is a response.
 3. To plan and coordinate purchases in volume and to competitively bid, negotiate and execute purchasing agreements and contracts for the recurring needs of the University.
 4. To prescribe the methods of securing bids or negotiating and awarding contracts.
 5. To negotiate on the best terms and conditions in the event no bids are received.
 6. To establish standards, assist in formulating specifications, and determine the source of supply for any commodity or service requisitioned by any department of the University, except as specifically provided under Section 12.3.B, Contracting Authority.
 7. To execute contracts, whether by purchase order or other approved purchasing method, for commodities and services required by the University.
 8. Evaluate the ability of any vendor to remain on a competitive vendor list, based on the vendor's responsiveness to competitive solicitations, the vendor's ability to fulfill the duties specified in contracts, or any disruptive or unprofessional conduct or conduct which is not conducive to the University environment on the part of the vendor or its agents.
 9. The Inter-institutional Committee on Procurement (ICOP) has developed policies and guidelines for establishing system wide contracts and cooperative agreements for use by the universities. ICOP will monitor frequent purchases made by the universities and initiate actions to establish system wide contracts as deemed necessary and appropriate.
 10. Evaluate and approve contracts led by the Federal Government, the State, instrumentalities of the State, other states, political subdivisions or entities, colleges, universities, educational cooperatives or educational consortia for the procurement of commodities and contractual services, when it is determined to be cost-effective and in the best interest of the University to make purchases under contracts let by such other entities.

11. Elect as an alternative to the provisions of s. 120.57(3)(c) F.S., to proceed with a bid solicitation or contract award process when it is set forth, in writing, that the particular facts and circumstances which demonstrate that the delay due to staying the solicitation or contract award process would be detrimental to the interests of the University. After the award of contract resulting from a competitive solicitation in which a timely protest was received and in which the University did not prevail, the contract will be canceled and re-awarded to the prevailing party unless the final order or settlement between the parties provide otherwise.
12. Award contracts for commodities and contractual services. This includes the authority to make awards to multiple suppliers, if it is determined to be in the best interest of the University. Such awards may be on a university, regional or multiple state university-wide basis and the contracts may be for multiple years.
13. Reject or cancel any or all-competitive solicitations, in whole or in part, when determined to be in the best interest of the University.
14. Purchase insurance as appropriate for the operation and mission of the University.

4. CONTRACTING AUTHORITY OTHER THAN PROCUREMENT

- A. The President has delegated to the following University positions, not under the supervision of Procurement Services, the following contracting duties:
 1. Vice President for Finance and Administration to approve and execute contracts for the University, in the absence of the President.
 2. Vice President for Research to approve and execute all grants, donations, and research and instructional contracts received on behalf of the University.
 3. Director, Sponsored Research to approve and enter into agreements for activities and programs using sponsored research and grant funds in accordance with University policies, directives and procedures and to recommend to the Procurement Director the use of the sponsored research exemption.

5. CODE OF ETHICS AND STANDARD OF CONDUCT

- A. All University personnel engaged in purchasing and related activities shall conduct business dealings in a manner above reproach in every respect. Transactions relating to expenditure of public funds require the highest degree of public trust to protect the interests of the University and the taxpayers of Florida. All University personnel engaged in the purchasing cycle, including the President, Vice Presidents, Deans, Chairpersons, Directors, budget committee members, initiators of requirements and their supervisors, receiving personnel, finance and accounting personnel, PCard holders, and all

members of a purchasing activity are bound by the standard of conduct for public officers and employees set forth in Chapter 112, Part 3, Florida Statutes and University of Florida Rule on University Ethics, Rule 6C1-1.011, F.A.C.

6. EMPLOYEE CONFLICT OF INTEREST

- A. Except as may be permitted by the directives of the University of Florida it shall be a breach of ethical standards for any employee of the University to participate directly or indirectly in the purchasing process when the employee knows that:
 - 1. He/she or any member of his/her immediate family will benefit from a University purchasing transaction.
 - 2. A business or organization in which he/she, or any member of his/her family, (spouse, children, parents, brothers and sisters) has a financial interest and will benefit from a University purchasing transaction.
 - 3. Any other person, business or organization with whom he/she or any member of his/her immediate family, is negotiating or has an arrangement for employment and will ultimately benefit from a University purchasing transaction.
 - 4. All employees having a financial interest in a private concern shall file a statement annually with the University disclosing such interest.
 - 5. All individuals taking part in the development or selection of criteria for evaluation, the evaluation process, and the contract award process in any purchase shall be independent of, and have no conflict of interest in the entities evaluated and selected.

7. GRATUITIES

- A. It shall be a breach of ethical standards for any employee of the University to accept, solicit, or agree to accept a gratuity of any kind for personal gain in connection with any contract for commodities or services. Current or potential contractors are prohibited from offering an employee of the University a gratuity of any kind for the employee's personal gain to influence the development of a contract or potential contract for commodities or services.

8. MONETARY LEVELS AND LIMITS

- A. Purchases of at Least \$1000 - Any agreements containing terms and conditions, or other such verbiage, including Maintenance Agreements, Software License Agreements, etc., requiring signature must be forwarded to Procurement Services where they will be reviewed and signed.

- B. Purchases Below \$5000 - It shall be the Procurement Coordinator's discretion whether quotes are needed on purchases below \$5000. Quotations are encouraged whenever possible.
- C. Purchases \$5000 - \$24,999 - Documented quotations from two or more vendors by telephone, fax, email, or justification why not obtained is required for purchases greater than \$5000 to \$24,999. Verbal quotes may be documented on the requisition.
- D. IT Purchases of \$20,000 and above - Information technology resources acquisitions costing \$20,000 or more must be approved by the University Information Resource Manager (IRM).
- E. Communications Purchases of \$25,000 and above - All communications resources purchases of \$25,000 or more must be approved by the University Information Resource Manager (IRM).
- F. Purchases \$25,000-\$74,999 - Written quotes from two or more vendors or written justification why quotations were not obtained shall be obtained for purchases greater than \$25,000 to \$74,999. Procurement Services may, at their discretion, waive the requirement for written quotations when it is in the best interests of the University. The purchasing file shall be documented prior to the processing of a purchase order by the Procurement Coordinator as to the circumstances when competitive quotes are not obtained.
- G. Purchases of \$75,000 and above
 - 1. Formal competitive bids, (ITB/RFP/ITN) are required on purchases of commodities, contractual services, deferred payment and revenue generating contracts in excess of \$74,999. A formal two-party contract may be required for contract services. For the purposes of determining the bidding threshold the total cost of the requirement may include any options, add or deduct alternates, and trade-ins, for the life of the contract.
 - 2. Commodities or contractual services available only from a single source, may be exempted from the bid requirements when the University certifies and documents that there is only one source of supply capable of meeting all specifications, terms and conditions to the University's satisfaction.
 - 3. Software license agreements that exceed the \$75,000 level will be forwarded by Procurement Services to the University's General Counsel Office for review prior to being signed by Procurement Services. The Procurement Coordinator will notify the department when this occurs.
- H. Purchases of \$100,000 and above - The President or his designee may require a Payment and Performance (P&P) Bond on contracts for the construction of any public building or for repairs on any public building or public work between \$100,000 and \$200,000. Projects in excess of \$200,000 must require a Payment and Performance Bond. NOTE: It is good practice to require a P&P bond whenever the project exceeds \$100,000.
- I. Purchases of \$150,000 and above

1. Contractual Service Contracts for greater than \$150,000 must be reviewed by the General Counsel.
 2. Invitations to Bid, Requests for Proposal and Invitations to Negotiate for commodities expected to be in excess of \$150,000 shall be advertised. The venue is selected by the purchasing Coordinator and may include the University Procurement website, the Florida Administrative Weekly, or Florida Communities Network. The Procurement Director has the authority to waive the advertisement requirement when the number of potential bidders or proposers is limited and can otherwise be solicited, when the availability of funding requires or where delivery is urgent.
- J. Purchases of \$200,000 and above - A construction project exceeding \$200,000 must be advertised in the Florida Administrative Weekly for a period of 21 days.
- K. Purchases of \$1,000,000 and above - All purchases in excess of \$1 million will be reviewed and approved by the President. For contracts and software license agreements, the contract will be processed by Procurement with legal review and involvement. When completed and signed by the vendor, it will be transmitted with cover memo to the Vice President, Finance and Administration for delivery to the President.

9. UNAUTHORIZED PURCHASES

1. Purchases for Individuals
Procurement Services is not authorized to make purchases for any individual or non University organization.
2. Splitting of Orders
The deliberate attempt to split orders, where the purpose is keeping the total cost of each order below bid or quote limits, and failure to combine orders when practical for the interest of economy, is an evasion of the Florida Statutes and University Procurement Directives. The splitting of orders is a prohibited activity and therefore, unlawful. Any related needs that are known or should have been reasonably known at the time of the requirement should be combined into one coherent request for procurement.
3. Purchases of a Personal Nature
The expenditures from University funds for the items listed below are prohibited unless a clear business purpose exists. (See Disbursements Directives [1.4.13.3](#) A and B)
 1. Alcohol
 2. Congratulatory telegrams
 3. Flowers and/or telegraphic condolences
 4. Entertainment for visiting dignitaries
 5. Food items - refreshments, such as coffee and doughnuts

6. Decorative items, such as globes, statues, potted plants, desk lamps, picture frames, and wall hangings
 7. Christmas or other greeting cards and postage for such cards
 8. Personal subscriptions to magazines and trade journals
 9. Gifts - for example: desk pen sets
 10. Coffee pots and supplies
 11. Portable heaters
 12. Fans, for personal use
 13. Refrigerators, stoves or microwave ovens for personal use
4. Confirming Purchase Orders
- Departments are not authorized to place orders directly with vendors for goods or services for which a purchase order is required. Procurement Services is the only authorized agent for the University. If a department has an immediate need, Procurement Services may confirm an order with a vendor after the proper acquisition method has been selected and executed. In the event that the department receives goods prior to the approval of Procurement Services, an explanation/justification shall be provided with the requisition.

10. EXEMPTIONS FROM COMPETITIVE PROCUREMENT REQUIREMENTS

1. The following commodities and services are exempt from competition (6C1-3.020) FAC:
 1. Artistic services.
 2. Academic reviews.
 3. Lectures.
 4. Auditing services.
 5. Legal services, including attorney, paralegal, expert witness, appraisal, arbitrator or mediator services. Written approval from the Attorney General is not required for private attorney services acquired by the University, pursuant to s. 287.059, F.S.
 6. Health services involving examination, diagnosis, treatment, prevention, medical consultation or administration. Prescriptive assistive devices for medical, developmental or vocational rehabilitation including, but not limited to prosthetics, orthotics, and wheelchairs, provided the devices are purchased on the basis of an established fee schedule or by a method that ensures the best price, taking into consideration the needs of the client.
 7. Services provided to persons with mental or physical disabilities by not-for-profit corporations organized under the provisions of s. 501(c) (3) of the Internal Revenue Code or services governed by the provisions of the Office of Management and Budget Circular A-122.

8. Medicaid services delivered to an eligible Medicaid recipient by a health care provider who has not previously applied for and received a Medicaid provider number from the Department of Children and Family Services. This exception will be valid for a period not to exceed 90 days after the date of delivery to the Medicaid recipient and shall not be renewed.
 9. Family placement services.
 10. Training and education services.
 11. Advertising.
 12. Services or commodities provided by the Federal Government, the State, instrumentalities of the State, other states, political subdivisions or entities, colleges, and universities.
 13. Continuing education events or programs that are offered to the general public for which fees have been collected to pay all expenses associated with the event or program.
 14. Purchases from firms or individuals that are prescribed by state or federal law or specified by a granting agency.
 15. Regulated utilities and government-franchised services.
 16. Regulated public communications, except long distance telecommunication services or facilities.
 17. Extension of an existing contract.
 18. Renewal of an existing contract if the terms of the contract specify renewal option(s).
 19. Purchases for resale.
 20. Accountant Services.
 21. Contracts or services provided by not-for-profit, direct support, health support and University affiliated organizations.
 22. Implementation, programming, or training services available from the owner of copyrighted software or its agent.
 23. Purchases of materials, supplies, equipment, or services for research purposes when the Director of Sponsored Research or designee, certifies that, in a particular instance, it is necessary for the efficient or expeditious prosecution of a research project.
2. Contract Awards not subject to Competitive Solicitations
 1. No person or firm who receives a contract to perform a feasibility study for potential implementation of a subsequent contract, participates in the drafting of a competitive

solicitation, or develops a program for future implementation shall be eligible to contract with the University dealing with the specific subject matter.

2. All persons taking part in the development or selection of criteria for evaluation, the evaluation process, and the contract award process in any purchase shall follow all relevant portions of the State of Florida Code of Ethics for Public Employees, Chapter 112, Part 3, Florida Statutes, and the University's rule on outside activities, Rule 6C1-1.011, F.A.C.

11. OTHER NON COMPETITIVE PURCHASES

1. Sole Source Purchase

1. Commodities or contractual services available only from a single source, may be exempted from the bid requirements when the University certifies and documents that there is only one source of supply capable of meeting all specifications, terms and conditions to the University's satisfaction. A completed Sole Source Certification form is required.
 - a. Description and use (in layman's terms).
 - b. List unique features that this item or service has that other comparable items or services do not have, and why these unique features are needed. Show as clearly and concisely as possible why only this item or this service will accomplish the function required.
 - c. Explain if the product or service is being purchased directly from the manufacturer. If not, explain why the item cannot be bid to the various dealers.
 - d. Explain the necessity for compatibility with existing equipment or instrumentation, if applicable.
 - e. Price cannot be used as a justification for a sole source.
2. The department will furnish, along with the requisition and a sole source certification, a current written quotation from the vendor.
3. If the President or his designee determines, in writing, that there is only one source for the required commodity, service or construction item, the sole source will be posted for three (3) full business days. A purchase order is issued when the posting period is over.
4. Documentation will be maintained that the price quoted is a reasonable price.

2. Emergency Purchase

1. When the President or designee determines, in writing, that a condition exists that threatens the public health, safety or the welfare of person(s), animal(s), the preservation or protection of property, or the continuance of a vital University function, Procurement Services is permitted to proceed with the procurement of commodities or contractual services without a competitive solicitation. The emergency purchase shall be limited to the

purchase of the type of items and quantities needed, or for a time period sufficient to meet the immediate threat, and shall not be used to meet long-term requirements.

2. Responsibility of the Requisitioning Department - Contact the Procurement Director immediately to notify Procurement of the emergency. If the Procurement Director deems the situation to be a genuine emergency, authorization is given to proceed with the purchase immediately. The department must follow up with a requisition to Procurement and must attach a complete justification for the emergency purchase. An emergency acquisition is not an excuse for poor planning. All emergencies must meet the above criteria.
3. Contracts and Negotiated Annual Price Agreements

Purchases from bid Contracts and Negotiated Annual Price Agreements established by the State, other governmental entities, or other public or private educational institutions, and educational cooperatives and educational consortiums are not subject to further competitive solicitation.

4. Sponsored Research Exemption

Section 1004.22(7), F.S., allows the University to exempt the purchase of materials, supplies, equipment or services for research purposes from the general purchasing requirements of Rule 6C1-3.020, F.A.C. and the requirements of Chapters 215, 216 and 283, and Section 112.061, F.S. Such an exemption shall be exercised only when the Vice President for Research or the Vice President's designee certifies to the President in each particular instance that the exemption is necessary for the efficient or expeditious prosecution of a research project. Rule 6C1-3.021 F.A.C. establishes the Sponsored Research Exemption Procedures.

5. Construction Direct Purchase Program

Commodities to be incorporated into any public work (as that term is defined in Florida Administrative Code 12A-1.094) which are procured by the University in accordance with the requirements of the University's direct purchase program are not subject to any further competitive solicitation.

12. MAKING A PURCHASE

1. Requisition to Purchase

1. A requisition should be created to make purchases not made on a Procurement Card. It is used to request purchases of all commodities/services through Procurement Services. It provides the chartfield information to be charged, item descriptions, quantity, delivery instructions, vendor information and desired delivery date. Complete and correct preparation of the requisition expedites the purchasing process. Except in the case of an

approved emergency, the requisition must be received by Procurement Services before purchasing action can be initiated.

2. A requisition is initiated through myUFI portal.
 3. Each requisition should contain only those items that may be purchased from the same vendor.
 4. When preparing a requisition state the noun first followed by descriptive information, including manufacturer and part number, if known.
2. Purchases from Small and Minority Business Enterprises

The University is an equal opportunity institution and encourages procurement contracting with Small and Minority Business Enterprises.

3. Purchases from Contractors Convicted of Public Entity Crimes

The University shall not accept a competitive solicitation from, or purchase commodities or contractual services from, a person or affiliate who has been convicted of a public entity crime and has been placed on the State of Florida's convicted vendor list for a period of 36 months from the date of being added to the convicted vendor list.

4. Quotes/Bids/Proposals

1. Procurement Services shall determine when a quote/bid/proposal is obtained for commodities, services, printing and deferred contracts for any item or group of items, except as provided in section 1.4.12.6. of these directives. For purchases between \$5,000 and \$74,999, informal quotes may be solicited when the commodity or service warrants competitive pricing.
2. Procurement Services may advertise any formal invitation to bid or request for proposal in a newspaper of general circulation when such public notice is deemed to be in the best interest of the University and consistent with the proposed purchase involved.
3. When only one quote/bid/proposal is received for the purchase of an item or a group of items in a call for quotes/bids/proposals, the Procurement Coordinator shall review the quote/bid/proposal to determine the reasons, if any, why only one quote/bid/proposal was received. If it is determined that a second call for quotes/bids/proposals would not be in the best interest of the University, the circumstances shall be documented and the Procurement Coordinator may proceed with the purchase. If it is determined that a second call for quotes/bid/proposals would be in the best interest of the University, the Procurement Coordinator may issue additional quote/bid/proposal solicitations. The Procurement Coordinator shall document a single quote/bid/proposal on the requisition for purchases' between \$25,000 and \$74,999. A single formal bid/proposal \$75,000 or more will be

documented on a single bid affidavit and presented to the Director or Assistant Director of Procurement for approval.

4. In the event no quotes/bid/proposals are received, the Procurement Coordinate may negotiate the purchase at the most favorable terms.
 5. When multiple responses that are equal in all respects are received to a competitive solicitation, the University will give preference to responses that include commodities manufactured in the state, Florida businesses, business with drug-free workplace program, or foreign manufacturers located in the state to determine the contract award, or, if these conditions do not exist or are the equivalent between two or more responses, will use toss of the coin.
 6. In accordance with Florida Law and the Procurement Directives, no purchase shall be divided or subdivided in order to circumvent the quote/bid/proposal requirements.
 7. All formal solicitations issued by the University shall include the standard "University of Florida Acknowledgement" form.
 8. Procurement Services, at its sole discretion, shall determine whether a response meets or exceeds specifications.
 9. The University shall reserve the right to reject any and all bids or proposals and such reservation shall be made part of the file.
 10. The intended award for an Invitation to Bid, Request for Proposal or Invitations to Negotiate shall be posted electronically on the Procurement Services' website for 72 hours excluding Saturdays, Sundays, or State Holidays.
 11. In the case of extension errors, the unit price will prevail.
 12. Withdrawal - A vendor may withdraw his or her bid or proposal in writing if done within seventy-two (72) hours of the bid or proposal opening, if the bid or proposal is clearly erroneous and it is withdrawn prior to final award or the purchase order being issued.
5. The Purchase Order

The purchase order, initiates a contract by accepting legally the offer made by the vendor.

6. Amount Only Purchase Orders

1. An Amount Only Purchase Order (AOPO) is a simplified method of filling urgent needs for small quantities of supplies or services by establishing open accounts with qualified suppliers. AOPO's are designed to expedite the acquisition of urgently, and/or frequently, needed supplies or services and to reduce administrative costs in accomplishing small

purchases by eliminating the need for issuing individual purchase orders. Procurement Cards should be used in lieu of AOPO's whenever feasible.

2. An Amount Only Purchase Order may not be used when:
 - a. The aggregate monetary value will exceed \$75,000 for any one type of item or service in any twelve month period (unless a bid is referenced).
 - b. Purchases are for capital (property > \$1000) items.
 - c. Purchases are of a personal nature.
 - d. The term is for longer than one calendar year (unless a bid is referenced).
 - e. The term will cross fiscal years utilizing annually appropriated funds.
 3. Requisitions are prepared by the using departments and forwarded to Procurement Services. One requisition is required each fiscal year for each vendor. Requisitions using grant funds which do not expire on June 30, should show the expiration date of the grant. Each requisition submitted to establish an AOPO must contain the following information:
 - a. Description of supplies or services to be furnished by the vendor, limited to specific items or commodity groups or to all items that the supplier is in a position to furnish (see limitation on use above), vendor, chartfield information.
 - b. Suggested beginning and ending dates.
 - c. Dollar amount to be encumbered for anticipated expenditures sufficient to defray total anticipated charges.
 - d. List of names of individuals authorized to make purchases on the agreement.
 - e. Superseded purchase order number, if applicable.
 4. Procurement Services will negotiate an agreement on prices, discounts, minimum purchases, and delivery with the supplier before the AOPO is issued.
 5. Orders against AOPO's may be made verbally by an individual authorized to place orders against the agreement. When placing an order, the individual should identify himself/herself and give the applicable AOPO purchase order number.
 6. The encumbrance of an AOPO may be increased or decreased by the using department by submitting a request for a change order to Procurement Services.
7. Change Request

A change request can be issued to modify quantities, unit price, due date, delivery schedule or location or to cancel the purchase order. Departments must initiate requests for change orders in writing, or through the myUFL portal. Construction change requests, for 500 Fund series, are processed through the Construction Accounting department.

8. Receiving

Receiving is required to be performed in the MyUFL system for purchases of capital assets. Although

not required to be received online, all departments must develop a method of properly documenting the receipt for all goods and services. When entering a voucher applied against an encumbrance for capital assets, the MyUFL system will require that a receipt exists for the PO that is being paid or a match exception will be created (see "Match Exceptions" in section 1.4.13.8 (D)(2) of the Disbursement Directives and Procedures) Instructions on how to enter a receipt in MyUFL can be found at the following website: <http://www.bridges.ufl.edu/training/docs/ReceivingItems.pdf>

9. Claims for Loss or Damage in Shipment

Responsibility of Department receiving the shipment - Damage to shipments must be recorded and processed in accordance with regulations applying to common carriers. Visible damage shall be noted on the freight company's receipt at the time of delivery. Concealed damage must be officially reported to the freight company within fifteen calendar days after the company delivers the items to the University. Failure to report damages in this time frame will result in the University's loss of right to file a claim and collect for damages. Notify Procurement Services in writing with a copy of the company's receipt, the purchase order number, the carrier's name, and the date of receipt.

10. Receipt of Unsolicited Goods

Florida Statutes 570.545 states that when unsolicited goods are delivered, the person is not obligated to return the goods to the sender or make payment to the vendor. The law also states that unsolicited goods shall be deemed a gift and recipient may use or dispose of them in any manner without obligation to the sender.

11. Right of Refusal

At the discretion of the department items may be refused for any of the following reasons: no purchase order, damage visibly perceived, or unsolicited goods.

13. GUIDELINES FOR CERTAIN TYPES OF PURCHASES

1. Equipment on a Temporary Trial or Loan Basis

Occasionally, Vendors will loan to a researcher to test/try out their equipment. To protect the Vendors and the University of Florida, Procurement Services suggests either the department fills and signs an Equipment Loan form or inputs a "no charge" requisition into MyUFMarket requisitioning system. Procurement Services needs the following information about the equipment: make, model, serial number and value of equipment, along with the contact information of the University personnel responsible for using the equipment.

2. Purchases of Food Products, Room Rental and Entertainment

University policy prohibits the expenditure of public funds for food products, entertainment or similar items with the following exceptions:

1. The product is used directly in instruction or research.
2. The expenditure is specifically provided for in the terms of a contract, grant or donation. Terms of the award specifically provide for conferences/meetings in performance of project. The inclusion of these conferences/meetings must however, comply with regular travel reimbursement procedures for per diem pursuant to General Services (GSA) rates.
3. Short course or conference fees have been collected for the express purpose of paying for such items
4. Student functions, when approved by the Student Government Finance Office.
5. Direct payment of hotel rooms for individuals must have the prior approval of Procurement Services. In order to make this type of payment, there must be a substantial savings to the University.

3. Acquisition of Printing

Chapter 283, Florida Statutes imposes limitations on the purchase of printing or duplicating from off campus vendors. The following instructions apply to the purchase of printing:

1. The University shall purchase, when economical, recycled paper if and when recycled paper can be obtained that is of adequate quality for the intended purposes.
2. Preference Given Printing Manufactured in Florida Preference shall be given to bidders located within the state when awarding contracts to have materials printed, whenever such printing can be done at no greater expense than, and at a level of quality comparable to, that obtainable from a bidder located outside of the state.
3. Items to Be Included in Bids All bid invitations issued by the University for printing shall provide in the bid conditions that all cost for delivery, storage, freight, and packing are to be prepaid by the vendor, F.O.B. the address or addresses listed on the bid invitation unless otherwise specified.
4. Agreements with Vendors for Private Publication of Public Information Materials:
 - a. The University may enter into agreements to secure the private publication of public information brochures, pamphlets, audiotapes, videotapes, and related materials for distribution without charge to the public. The University may:
 - I. Enter into agreements with private vendors for the publication or production of such public information materials, by which the costs of publication or production will be borne in whole or in part by the vendor or the vendor agrees to provide additional compensation in return for the right of the vendor to select, sell, and place advertising that publicizes products or services related to and harmonious with the subject matter of the publication.
 - II. Retain the right, by agreement, to approve all elements of any advertising placed in such public information materials, including the form and content thereof.
 - b. Any public information materials containing advertising of any kind must include a

statement providing that the inclusion of advertising in such material does not constitute an endorsement by the University of the products or services so advertised.

5. Information to Be Supplied with Requisition:

1. Printing requirements should be planned well in advance to permit purchase in compliance with the procedures described above.
2. Adequate information should appear on the requisition to insure that the required printing is obtained. The following list of terms may be of assistance in describing the printing desired: type style, type size, color of ink, size of paper, color of paper, weight of paper, number of pages, printing on one or both sides, printing on inside of cover, stapled, stitches, perforated, scored, folded, numbered, padded, packaged.
3. The requisition should also include the following information: date final copy will be available; date for receipt of proof, if required; date final delivery is required; point of delivery; person to be contacted in requisitioning department if additional information is required; and any other pertinent information.
4. If samples of similar printing jobs are available, copies should be forwarded with the requisition. Should samples not be available, one copy of the document to be printed should be forwarded if available.

4. Information Technology Resources

1. Chapter 282, Florida Statutes require that information technology resources may only be acquired if approved by the agency Information Resource Manager (IRM) as part of the agency Information Resource Operating Plan or any supplement thereto. The University is committed to development, deployment and operations of a productive, cost-efficient and secure information technology environment in support of its missions. The University reviews information technology purchases as necessary to meet its commitments.
2. All software purchases of \$20,000 or more are subject to review. Software purchases are those with category codes beginning with 4323.
3. All hardware purchases of communications equipment, network equipment, telecommunications and video conferencing equipment are subject to review by the Office of Information Technology regardless of dollar value. Hardware purchases of network equipment, telecommunications and video conferencing equipment are those with category codes beginning with 4319, 4320, 4322, 4511 or 8611.
4. Requisitions containing items meeting the review criteria in the Information Resource Review Policy are forwarded to the Information Resource Manager (IRM) for review.
 - a. The IRM will complete the review within two (2) business days of receipt and notify the

department submitting the requisition and Procurement Services of the results of the review in writing.

b. If approved by the IRM, the requisition may be subject to additional review under other policies and procedures. If disapproved, the requisition will be returned to the requesting department for reconsideration.

5. Term Contracts

1. Term contracts are indefinite quantity contracts whereby a contractor agrees to furnish an item(s) or services at a specified price, during a prescribed period of time (such as three, six, nine, or twelve months, or a specified date). The specified period of time or date completes such contracts.
2. A contract for supplies or services may be entered into for any period of time deemed to be in the best interest of the University provided the terms of the contract and conditions of renewal or extension, if any, are included in the solicitations and funds are available for the first fiscal period at the time of contracting. The performance of the University of any of its obligations under a multi-term contract shall be subject to and contingent upon the availability of funds appropriated by the Legislature of the State of Florida, the obligation of funds by the prime funding agency, or otherwise lawfully expendable for the purposes of the agreement for the current and future periods.
3. Prior to the use of a multi term bid/proposal, it shall be determined that:
 - a. Estimated requirements cover the effective period of the bid/proposal and are reasonably firm and continuing; and,
 - b. Such bid/proposal will serve the best interest of the University by encouraging effective competition or otherwise promoting economies in University purchasing.
4. When funds are not appropriated or otherwise made available to support continuation of performance in a subsequent fiscal period, the order shall be paid only for supplies or services already received under the contract.
5. Departments will be contacted if purchases of a recurring nature indicate that a term contract would be advantageous. Information as to specifications and estimated annual usage shall be supplied by the using department. Amount Only Purchase orders may be used to consummate purchases against these contracts. Departments may request assistance of Procurement Services in establishing term contracts.
6. The University may acquire any commodity which is available on any term contract or price agreement executed by the State Department of Management Services when such purchase is most advantageous to the University, with price, quality, performance and other factors considered. Any such purchases by the University are exempt from competitive bid requirements.

7. Any article, except printing, furnished by PRIDE, a private not for profit corporation established pursuant to Florida Statutes 946.515, shall be purchased by the University from this corporation, when price and quality are determined to be comparable to articles required by the University.

6. Maintenance or Service Agreement

1. Departments should carefully analyze all information and select among the following 3 equipment maintenance alternatives:
 - a. Assumed risk (self-insure) - where no contractual agreements are entered into and the department assumes the risk for repair or replacement of equipment.
 - b. Regular maintenance agreements - where department contracts for specific number of preventative maintenance visits and repairs plus parts where needed with various service providers.
 - c. University Managed Maintenance program - where department pays annual premium to contract vendor and contact service provider of their choice for preventative maintenance and repair.

When considering these alternatives, consider the past experience of premium cost to maintenance and repair payouts. Also consider the value, age, and condition of the equipment as well as the frequency of use and critically of the equipment to the department.

2. Requisitions for maintenance or service agreements on office machines or laboratory equipment must include the following information:
 - a. Location (room number) of machine and name of contact person.
 - b. Name brand, model number, serial number, and decal number of equipment.
 - c. Copier maintenance requisitions should also include the monthly base rate fee and the overage cost per copy.
 - d. Beginning and ending dates of maintenance period.
 - e. One copy of proposed maintenance agreement. Please note that the using department is not authorized to sign and approve vendor maintenance agreements. All agreements should be submitted with the requisition for signature and approval by Procurement Services.

7. Contractual Services

1. Contractual services are defined as the rendering of a contractor of its time and effort rather than furnishing specific commodities. This definition applies to individuals who are not performing the duties of a University position. The Consulting and Professional Worksheet for contractual services shall be signed by all parties and the purchase order issued prior to the rendering of any service. For the purposes of this section, Construction is not considered a service.

2. All procurement of contractual services in excess of \$75,000 shall be evidenced by a written agreement embodying all provisions and conditions of the procurement of such services. The terms and conditions of an agreement should be stated clearly and unambiguously in order that any person would have no difficulty in determining that the precise duties and obligations undertaken by the University are not in violation of any of the laws of the state relative to the expenditure of funds.
3. At the discretion of Procurement Services, a contractual agreement may be required for supply items, particularly when the acquisition involves: a term contract, the furnishing of supplies with significant service and installation costs, the production of items from design or performance specifications, research and development equipment, high-value/unique/non-standard supplies and equipment, long lead time production items, or agreements involving partial payment schedules or definitive project phases.
4. Agreements may be necessary in procurements less than \$75,000 when:
 - a. The requirement for an agreement is prescribed by a commanding authority, such as grant subcontracts.
 - b. Procurements where an agreement is necessary to protect the University's best interests.
 - c. Complex service contracts to establish the payment method, payment schedule, contract deliverables, or performance standards.
 - d. Required by the contractor.
5. Only university personnel specifically delegated the authority, in writing, by the President are authorized to sign agreements and financially commit the University within the limits of their delegation. No department or individual, unless specifically delegated so, may sign any agreement or represent in any manner whatsoever to an individual or business that they possess the authority to bind the University. All agreements must be signed by the person with the delegated authority. All agreements are subject to legal review and approval prior to signature, except for those specific agreements, conditions, and circumstances assigned to Procurement Services.

8. Contracts

1. Contracts for commodities or contractual services or licenses shall consist of a purchase order or bilateral agreement signed by the President or designee prior to or within thirty (30) days of the goods or services being rendered by the contractor.
2. Any contract for the purchase of services or tangible personal property for a period of excess of one fiscal year shall include the following statement: "The State of Florida's and University's performance and obligation to pay under this contract is contingent upon an annual appropriation by the Legislature".

3. Extension of a contract shall be for a period not to exceed 12 months, shall be in writing, shall be signed by both parties, and shall be subject to the same terms and conditions set forth in the initial contract.
4. A contract may contain provisions for renewal. If the commodity or contractual service is purchased as a result of a competitive solicitation, the cost of any contemplated renewal must be included in the competitive solicitation. All contract renewals are subject to sufficient annual appropriations.
5. The President shall have the authority to enter into deferred payment agreements utilizing the State of Florida Consolidated Equipment Financing Program (CEFP). When a commodity contract requires deferred payments and the payment of interest under that program, the contract will be submitted to the State of Florida Chief Financial Officer's Office for the purpose of pre-audit review and approval prior to acceptance by the University. No agreement shall establish a debt of the State or shall be applied to the faith and credit of the State; nor shall any agreement be a liability or obligation of the State except from appropriated funds.
6. In order to promote cost-effective procurement of commodities and contractual services, the University may enter into contracts that limit the liability of a vendor consistent with section 672.719, F.S.
7. The total value of the contract shall be the purchase price for the initial term plus all renewal costs.

9. Carpet

1. All carpet installed at the University must meet the minimum following flammability requirements and all other safety tests associated with flooring installed at educational/healthcare institutions:
 - a. DOC FF1-70
 - b. ASTM E 84-80 Tunnel Test (75 or less flame spread rate)
 - c. Smoke Density Test-NBS-NFPA-258 (450 or less)
 - d. It is preferred that carpet meets the requirements of the CRI Green Carpet Testing Program and carpet cushion meets the requirements of the CRI Green program.
2. Physical Plant Division (PPD) is responsible for all facility work in E & G buildings. Health Science Center (HSC) Facilities' office is responsible for all facility work in the HSC buildings. IFAS Facilities' office is responsible for all facility work in the IFAS buildings. This includes carpet placement/replacement. Environmental Health & Safety (EH&S) is responsible for campus asbestos abatement. Each of the "Facility" offices is responsible for the administration and funding decisions concerning all carpet installations. Funding is provided by either them or University departments. Any required asbestos abatement activity related to "Facility" funded carpet removal is also funded by them. When existing carpet is glued to

Vinyl Asbestos Tile (VAT), the VAT removal is part of the carpet removal as required by EH&S.

3. Departments wishing to replace carpet at their expense can utilize the University contacts or state contracts for this service by calling the appropriate facility office or PPD/Work Management Center. Funding is provided and contract administration is accomplished. If asbestos abatement is required during carpet removal for department-funded replacement, then the department is responsible for funding this abatement.

10. Office Furniture

1. Any office furniture purchased must be on a State Contract, or be equivalent or less in price to a comparable item on State Contract. A written justification must be submitted with the requisition when a department wants to purchase office furniture not on a State Contract.
2. Any requisition to purchase a special chair because the prospective occupant has "back problems" must be approved by Environmental Health & Safety Department.
3. When selecting furniture it is preferred that:
 - a. Purchases contain at least 10% postconsumer and/or 20% post-industrial material
 - b. Purchases contain at least 50% Forest Stewardship Council (FSC) certified wood
4. At the discretion of Procurement Services, furniture may be purchased up to the following guidelines without a written justification:
 - a. Office Chair - \$675
 - b. Sofa - \$1,400
 - c. Love Seat - \$1,100
 - d. Wing Back Chair - \$800
 - e. End Table - \$400
 - f. Coffee or 48" Conference Table - \$600
5. Other furniture purchases under \$2500-The University has the option to purchase from non-contract vendors provided the cost is below \$2500.
6. Portable room partitions are walls or dividers that are a substitute for standard walls. They are usually sold by furniture suppliers and can be wired for electrical/computer/telephone. Partitions serve a valuable function when correctly installed in "open concept" interior spaces. Partitions meeting any of the following conditions will be treated as real property, will require adherence to normal administrative approval rules, and will require the completion of a Minor Project/Construction Request (Form 90). This includes partitions that:
 - a. Impact Fire and Safety Codes in any way including fire sprinkler system/sprinkler locations and fire egress.
 - b. Are directly wired to the building for electricity (have a power panel) and/or telephone, data and video.
 - c. Exceed 72 inches in height.

- d. Impact the existing lighting or the space to be partitioned.
- e. Attach to or abut two or more existing walls.
- f. Exceed 20 total linear feet.
- g. Have doors.
- h. Will affect the room numbering scheme.
- i. All locks must be compatible with applicable master keying for the facility in which the partition is installed.
- j. Partitions and partition installations must meet all fire, construction, and life safety codes.

11. Trade in of University Owned Property

1. No University property may be removed or disposed of without first obtaining the approval of Asset Management Services.
2. Departments wishing to trade in equipment must submit a requisition for the commodity to be purchased and include the following information about the equipment to be traded: noun name, model number, serial number, and UF decal number. An approved "Report of Survey" form authorizing disposal by trade-in should be sent to Asset Management Services.
3. Procurement Services will evaluate the price for the equipment that is to be traded following established purchasing procedures.
4. University Property Services will hold the Report of Survey until the new item is received and will process the trade-in when the new item is put on the Property Master File.
5. To determine the appropriate bid/quote level requirements involving trade-in property, the value of the trade-in property and the price of any new equipment is combined together (not deducted) to calculate the net total value of the transaction.

12. Motor Vehicles

1. Procurement Services has the authority to:
 - a. Establish standard classes of motor vehicles to be leased, purchased or used by University personnel.
 - b. Acquisition may be by purchase, lease, installment-purchase, loan, or by any other legal means and may include a trade-in.
2. Approval - The University shall not acquire any motor vehicle or watercraft through purchase, lease, or lease purchase without Procurement Services approval.
3. Vehicles owned, leased or operated by the University are available for official University business only.
4. It is the intent of the University to purchase vehicles with the highest fuel efficiency and therefore lowest greenhouse gas emissions. This includes hybrid and alternative fuel

vehicles. Procurement Services maintains a listing of pre-approved recommended vehicles by vehicle type and class to assist departments with choosing a vehicle for purchase. See the purchasing website for additional information on vehicle purchases. This directive applies to all automobile and truck vehicles including used vehicles. Research vehicles may be granted an exemption by the Division of Sponsored Research if the cost differential or lead time would negatively impact research.

5. The requesting department shall submit a requisition to Procurement Services complete with the following information:
 - a. A requisition containing the year, make, model, engine type (Hybrid/FFV/Diesel/Electric), color (if known), VIN (if known), and if applicable, UF Decal number of trade-in vehicle for Asset Management records.
 - b. Vehicle identification information for the vehicle to be replaced or written justification from a Dean or VP for adding a vehicle to the fleet.
 - c. Quote from the dealer including a detailed list of vehicle specifications. (Additional quotes will be required if the vehicle is not purchased using publicly solicited contract.)
 - d. A justification regarding the particular type/style of vehicle selected. Justification should outline the specific use of the vehicle and explain the need of any extra features/optional equipment above and beyond the base vehicle configuration.
 6. Environmental Health and Safety Division will receive notification of every vehicle purchase to ensure proper training, if applicable, has been completed. Operators of the following vehicles are required to complete training:
 - a. 15 Passenger Vans
 - b. Agricultural Farm Equipment
 - c. Agricultural Tractors
 7. Upon receipt of the required document, Procurement Services shall complete the acquisition following established purchasing procedures. Physical Plant's Motor Pool Division or IFAS Office of Facilities Planning and Operations will be responsible for processing the vehicle into the University's fleet pool.
13. Radioactive Materials and Radiation Emitting Equipment
- Radioactive materials and radiation emanating equipment (lasers and X-rays) are controlled by the University's Radiation Central Office (RCO) at Environmental Health and Safety. Approvals for the purchase of radioactive materials and radiation emanating equipment must be received by the RCO in advance. Only the RCO may receive and transport radioactive substances. The using department must comply with all University guidelines and directives regarding the safety, storage and disposal of these materials.
14. Controlled Substances
- Controlled substances may be ordered by licensed personnel and must provide a copy of the license along with the requisition to Procurement Services. The using department must comply with all University guidelines and directives regarding the safety, storage and disposal of these materials.

15. Live Animals

Live animals may only be ordered with the approval of the Department of Animal Care Services. The using department must comply with all University guidelines and directives regarding the safety, and handling of live animals.

16. Hazardous Materials and Equipment

1. All hazardous supplies, equipment and services are controlled by Environmental Health and Safety (EHS) and must be approved by them prior to purchase. These include:

All renovation and construction	Ice machines
Air purifying respirators	Isolation glove chamber
Anaerobic chamber	Gas chromatographs
Asbestos decontamination or removal	Kitchen cooking appliances
Autoclave and sterilizer	Kitchen exhaust systems
Autopsy supplies and equipment	Lab oven or furnace
Bacteria Fungi	Lab vectors
Bench top fume collection cabinets	Lasers
Biological safety cabinets	Liquid scintillation counter
Boilers & pressure vessels	Microwave ovens for labs
Bulk storage tanks	Ozone generators
Cleaning of kitchen exhaust systems	Personal monitoring or detection equipment (confined space meters, gas meters, survey meters and dosimeters, etc.)
Compressed gas cabinets	
Disaster recovery services	Portable air cleaning devices
Dioxins and Tri-, Tetra- and Pentachlorophenol	Radioactive materials
Electron Microscopes	Refrigerators & freezers for lab use
Environmental growth chamber	Repair of equipment that is required to be sent off campus (certification of cleaning and decontaminating will be required)
Explosives and fireworks	
Eyewash stations and safety showers	Self contained breathing apparatus

Fall protection devices (harnesses & lanyards)	Tank and Cylinder and accessories
Fire fighting equipment	Toxins
Fire suppression systems	Viruses
Food service equipment	Walk in refrigerator or coldroom
Fume hoods	X-ray machines
Hazardous waste disposal	

2. The using department must comply with all University guidelines and directives regarding the safety, storage and disposal of hazardous materials ("Hazmat").

17. Moving Expenses

1. Moving expenses for Faculty, Teams, and University Support Personnel System employees must be approved in advance by a Dean or Director. Only direct payments to University contract moving vendors are authorized. Authorized expenses include packing, shipping, and storage of household goods or a mobile home and reasonable expenses incurred for moving an automobile. Charges for unpacking and extra insurance are not allowed and must be paid separately by the party being moved at the time of delivery. Household goods are the personal effects and property of a current or prospective employee. Mobile home is any vehicle that is used as a primary residence by a current or prospective employee.
2. Not included in "Moving Expenses-Household Goods" are professional equipment and/or books necessary for job performance and housed at the University. Requests for moving laboratory equipment and professional books should be submitted on a separate line item of the requisition. A detailed inventory of equipment being moved must be completed and submitted to the Risk Management Office prior to the move, for insurance purposes.
 - a. Requesting Department Responsibility - Submit to the Procurement Department the requisition. The requisition for the move must include: name of the new hire, the current address or address where the goods will be moving from, the anticipated date of the move, the telephone number, and email address where the individual can be contacted. Depending on the availability of funds, the department may agree to pay the entire amount of the move, or agree to pay a fixed amount with the employee paying the remainder. In this instance, the purchase order will be for that portion of the fixed amount authorized by the department. The employee must pay the difference of the actual cost of the move when the household goods arrive at their destination.
 1. Procurement Services' Responsibility - To assign the move to a contracted carrier and issue the purchase order. Assist the department and employee regarding the move.

18. Cellular Telephones

See the Cell Phone and Wireless Communication Device Directive.

19. DSL or Cable Internet Connections in Personal Residences

It is Finance and Administration's opinion that a DSL or cable internet connection at a personal residence constitutes an employee perquisite and should be processed as such through the Division of Human Resources. Please see the HR website at for complete instructions on perquisites.

20. General Safety Supplies, Equipment and Services

All general safety supplies, equipment and services need prior approval by Environmental Health and Safety (EHS) before purchase. They include:

- Defibrillator or AED's
- Ergonomic support aids
- Respiratory dust masks
- Insurance

14. LEASES

1. Equipment Leases

1. Leases, including month to month leases and all other leases of equipment regardless of the period of time, are subject to the review and approval of Procurement Services.
2. Interest on leases or deferred payment commodity contracts is defined as a commodity and is subject to the bid requirements if the interest exceeds \$75,000 over the term. Procurement Services may also request competitive quotes on lease rates and terms.
3. Requesting Department's Responsibilities The requesting department shall be responsible for submitting a requisition for the lease or installment purchase of equipment to Procurement Services with the following information:
 - a. Equipment specifications,
 - b. Original agreement with all the terms and conditions
 - c. Lease versus purchase cost analysis,
 - d. A statement from the Department Chair, Dean, or appropriate Vice President guaranteeing that funds will be provided during the entire term of the lease.
4. The lease of equipment is subject to the Procurement and bid procedures contained herein. All leases shall contain a cancellation clause, and an availability of funds clause. Leases may contain renewal options, if appropriate. Leases of equipment are generally of three types:
 - a. Lease with no provisions
 - b. Lease with purchase option credits - provides for a percentage of monthly lease payments to be applied toward purchase in the event the option to purchase is exercised. Lease payments normally include maintenance.

c. Installment Lease Purchase (No leasing provisions included) - provides for the title and ownership to the University upon installation. The acquisition is made over a period of time, such as 48 months, by monthly payments. Maintenance is extra and, if required, is another line item on the requisition. A copy of all back-up documents with the purchase order number indicated must be forwarded to Property Accounting.

5. Consolidated Equipment Financing Program (CEFP) Lease Agreements - Procurement Services may submit requests for lease purchase agreements to be financed under the CEFP in the Department of Financial Services. Upon receipt of approval by the CEFP, department will submit a zero amount requisition to the supplier furnishing the equipment with required financing language.

2. Real Property Leases

Leases of real property, office space, and storage units require advanced review and approval from The Office of Real Estate. The process is outlined in the Florida Administrative Code, section 6C1-3.025.

15. CONSTRUCTION

1. General

1. By definition, minor projects are those building projects in which basic construction costs are estimated to be \$1,000,000 or less. Major Projects are those building projects that are estimated to be more than \$1,000,000.
2. A University of Florida Minor Project/Construction Permit (Form 90) is required for building projects that cannot be classified as simple maintenance or major construction.
3. If a University of Florida Minor Project/Construction Permit (Form 90) has been approved and the project is to be placed on bid to outside vendors, an email or requisition should be submitted to the Procurement Division with plans, specifications and an approved permit attached.
4. Drawings and specifications must be clear and inclusive for bidding purposes. If inadequate for bidding purposes, the specifications will be returned to the department, in which case the department should seek assistance from their Facilities Management group.
5. All requisitions for alteration, renovation or construction projects in E&G buildings not accompanied by a University of Florida Minor Project/Construction Permit (Form 90) must be reviewed by the Physical Plant Work Management Office and the Division of Environmental Health & Safety to insure that safety requirements and the provisions of the fire code are being met, before a purchase order is processed.

6. Bid Bonds/Bid Deposits, Performance and Payment Bonds and Certificates of Insurance:
 - a. The successful bidder must additionally furnish a payment and performance bond as a security for faithful performance on contracts over \$200,000. Contracts of less than \$200,000 but more than \$100,000 may require a payment and performance bond at the discretion of the Procurement Director. Contracts of less than \$100,000 do not require a payment and performance bond. When required, surety of such bond shall be in an amount equal to the contract. The attorney-in-fact who signs the bond must file with the bond a certificate and effective dated copy of power of attorney. Bonds will be accepted only from bonding companies licensed to do business in the State of Florida.
 - b. If a firm is unable to obtain a Payment and Performance Bond, a Cashier's Check or acceptable Financial Institution's Letter of Credit may be accepted in lieu of the required bond. All Letter-of-Credit approvals must be reviewed by the University General Counsel.
 - c. The successful bidder must also furnish an Insurance Certificate covering workers' compensation, property liability, property damage and vehicle liability insurance.
 7. If partial payments are to be made to the contractor; this provision must be provided for in the purchase order. Partial payments are accomplished by the completion of a Certificate of Partial Payment, which is forwarded to the vendor with the purchase order.
2. Professional and Design/Build Services
The acquisition of Professional and Design/Build services are covered under University of Florida regulations, Florida Administrative Code 6C1-3.070.
 3. Construction Management Services
The acquisition of Construction Management Services are covered under University of Florida regulations, Florida Administrative Code 6C1-3.071.
 4. Construction Contract Bidding and Award (contractor)
The award of construction contract bidding is covered under University of Florida regulations, Florida Administrative Code 6C1-3.072.
 5. Construction Bid Protests (contractor only)
The protest of construction contract bidding is covered under University of Florida regulations, Florida Administrative Code 6C1-3.073.
 6. Evaluations of Professional Service Providers, Design/Builders, Construction Managers and Contractor; Disqualification Procedure
The evaluation of Professional Service Providers, Design/Builders, Construction Managers and Contractor; Disqualification Procedure is covered under University of Florida regulations, Florida Administrative Code 6C1-3.074.
 7. Procedures for Payment under Unbonded Construction Projects
The procedures for Payment under Unbonded Construction Projects is covered under University of Florida regulations, Florida Administrative Code 6C1-3.075.

16. SUSTAINABLE PROCUREMENT

1. Purpose

1. The purpose of this policy is to support campus sustainability at the University of Florida and to provide guidelines, information, and resources in procuring products that will minimize negative impacts on society and the environment to the greatest extent practicable.

2. Responsibilities of Departments

1. Develop and maintain information about environmentally and socially preferable products. Departments should use the list composed in this document as a guideline and may add or modify the list as needed.
2. Inform employees of their responsibilities under this policy; provide them with information about sustainable procurement opportunities. Check the Procurement web page for frequent updates on vendor commitments to sustainability, including new annual contracts and participation in vendor shows.
3. Submit new ideas, problems or concerns to Procurement (352) 392-1331 or e-mail procurement@ufl.edu.

3. Best Practices and Procurement Strategies

1. Reduce waste at the point of purchase.

Faculty, staff and students can help achieve the university's waste reduction goals by practicing the three R's: reducing, reusing, and recycling. Priority should be given to reducing waste upstream by purchasing products made from recycled material that can be reused or recycled.

- Office paper, letterhead stationery, envelopes, and business cards made from recycled paper
- Office supplies
- Recycled, remanufactured, or re-filled toner cartridges
- Furniture made with a percentage of postconsumer or postindustrial material and/or FSC 50% certified wood

To reduce disposal costs and waste, choose items that can be remanufactured, recycled, or composted. Many products made from recycled materials are available and are being included in the University of Florida contracts.

Contract information is available from the Procurement website under contracts and UF Pricing.

2. Purchase durable and reusable goods.

Using life-cycle cost analysis, rather than automatically choosing goods with the lowest purchase price, can help departments identify the best long-term value. Factor in a product's estimated life span as well as its energy, maintenance, consumable supplies and disposal costs.

 - Consider durability and reparability of products prior to purchase.
 - Invest in goods with extended warranties. Conduct routine maintenance on products/equipment.
 - Save money and minimize waste by eliminating single-use items, such as non rechargeable batteries, in favor of rechargeable batteries. Use rechargeable cartridges.
3. Lease and rent when appropriate.

Consider an operating lease or rental rather than a purchase or capital lease. Lease and rental contracts give vendors the responsibility for the upkeep of goods such as computers and copiers, and for managing them at the end of their useful life. Businesses that lease equipment tend to manufacture more durable items, salvage reusable parts, refurbish, recycle, or donate used equipment that can no longer be leased. Renting is a cost-effective option for short-term equipment needs.
4. Specify product and packaging take-back.
 - Increasingly, product vendors are offering to take back the products they sell when they become obsolete. By utilizing vendors who offer an Extended Product Responsibility (EPR) program, especially take-back, recycle, and disposal programs, departments are ensured equipment and products are disposed of properly whether recycled, donated, refurbished or disposed of without the added cost.
 - Other vendors will take back used items, such as carpeting and toner cartridges, when purchasers buy new products. For example, several carpet manufacturers have invested in sophisticated recycling facilities that turn old carpet into new carpet or other goods and toner cartridges are disposed of properly or sent to be recharged and sold at a lower cost.
 - Departments should require vendors to assume responsibility for some of their shipping materials, such as wooden pallets and excess packaging materials. When ordering large furniture or computer shipments request products ship blanket-wrapped or using reduced packing material.
5. Buy goods in bulk or concentrated form.

This practice can significantly reduce the packaging associated with lower product quantities and save costs. Carefully estimate demand when purchasing in bulk; purchasing more than is needed can create excess that becomes waste.
6. Manage surplus effectively.

The University of Florida can reduce waste by eliminating excess purchases. Reviewing past needs can minimize the procurement of unneeded items. Clean out your office supply cabinet and post re-usable items for UF Departments on GatorList.net or donate to local

non-profit organizations such as Alachua County's Tools for Schools. Departments should utilize Asset Management Services for disposing of unwanted, out-dated property. Asset Management will effectively redistribute, recycle, or dispose of surplus property by bidding it out over the Internet through surplus on-line bids, police auctions, property warehouse, or federal warehouse. For more information see Asset Management Services Web Site: <http://fa.ufl.edu/am/surplus/>.

7. Procure commodities that are certified to meet sustainability standards.

Paper and Forest Products:

- Forest Stewardship Council - www.fsc.org
- Chlorine Free Products Association - www.chlorinefreeproducts.org

Electronics and Appliances:

- Energy Star - www.energystar.gov/purchasing
- Electronic Product Environmental Assessment Tool (EPEAT) - www.epeat.net

EPEAT has tiers of environmental performance. UF's bundled computers will meet at least the EPEAT silver standard. UF's preference is that when the certification is available on the products being purchased, all purchases of computers and monitors meet or exceed the silver EPEAT certification.

Cross-sector: (examples: cleaning supplies)

- Environmental Choice - www.environmentalchoice.com
- Green Guard - www.greenguard.org
- Ecologo - www.ecologo.org
- Green Seal - www.greenseal.org
- Scientific Certification Systems - www.scscertified.com

Carpet, Adhesives and Cushion:

- CRI Green Seal and Green Seal Plus - www.carpet-rug.org

Renewable Energy:

- Green-e - www.green-e.org

Building Practices and Indoor Air Quality:

- Green Building Council (LEED) - www.usgbc.org/leed

Food:

- USDA Organic, Food Alliance Certified, Rainforest Alliance Certified, Protected Harvest Certified, Fair Trade OR Marine Stewardship Council's Blue Eco-Label

8. Procure remanufactured goods and use refurbishing services.

It is generally much less expensive to buy remanufactured goods such as remanufactured toner cartridges, or to use refurbishing services for computer upgrades, carpet repair, and furniture reupholster, than to buy new items. "Recharged" toner cartridges typically save departments 30 to 50 percent per sheet of paper. Remanufactured items should require no sacrifice in performance. Check with Procurement for current contracts in place for remanufactured products.

9. Purchase goods containing fewer toxic constituents.

By procuring goods with fewer or no toxic chemicals, departments can reduce their hazardous waste disposal, future liability concerns, and the risk of occupational exposure and spills. Low-toxicity products such as mercury-free medical supplies, low mercury light bulbs/lamps with a content of 90 picograms per lumen-hour or less, printing ink low in volatile organic compounds (VOCs), and chrome and chlorine free cleaning supplies are increasingly available and cost-competitive. See the Cross-sector certifications to help selecting products. The University prefers all cleaning products purchased are either Green Seal or EcoLogo certified.

10. Reduce paper use.

- Set all printers, copiers, and fax machines to the default duplex mode if the function is available.
- Purchase office equipment that has duplex capability.
- Purchase paper with recycled content
- Utilize technology to send and store information electronically.
 - Utilize internet fax when available.
 - E-mail document files instead of faxing hardcopies.
 - Instead of having forms preprinted and stored, fill out forms online and print as needed when available and feasible.
- Store documents electronically instead of storing hard copies.

4. Current Guidelines in Place

1. All University of Florida personnel will purchase recycled and environmentally preferable products whenever practicable.
2. University of Florida Departments will purchase hybrid or alternative fuel vehicles.
3. The University of Florida will have a recycle container available within a reasonable distance of soda machines and in all dining establishments where canned or bottled drinks are served: <http://www.ppd.ufl.edu/grndrr.htm>. Contact Physical Plant's Solid Waste Coordinator at 392-7396 or 392-1148 x 301.
4. University of Florida should promote the use of recycled and other environmentally preferable products by publicizing its sustainable procurement program. Materials produced

for advertising, conferences, trade fairs, press releases, and other communications with clients and citizens can make reference to the University of Florida's commitment and leadership in the use of recycled and environmentally/socially preferable products.

5. The University Procurement and Disbursements Department will make every effort to secure contracts with vendors that are socially and environmentally conscientious, and certified green whenever practicable.
5. Procurement and UF's Zero Waste by 2015 Goal
 1. Procurement recyclable or products made out of recycled material is only part of the life cycle, you must recycle whenever possible. If you are not sure about the different recycling programs on campus, visit the Physical Plant Division, Grounds Department website <http://www.ppd.ufl.edu/grounds-refuse.html> or call (352) 392-7396.
 6. Environmentally Preferable Procurement (EPP) Resources
 1. Resources:
 - Center for a New American Dream's Procurement Strategies (www.newdream.org/procure)
 - EPA's EPP Web Site (www.epa.gov/oppt/epp)
 - EPPNet (www.nerc.org)
 - INFORM (www.informinc.org)
 - Office of the Federal Environmental Executive (www.ofee.gov)
 2. Examples of environmentally preferred products:
 - Recycled paper and paper products
 - Remanufactured laser printer toner cartridges
 - Energy Star Rated computers and appliances
 - Rechargeable batteries
 - Re-refined lubrication, hydraulic oils, and antifreeze
 - Recycled plastic outdoor-wood substitutes including plastic lumber, benches, fencing, signs and posts
 - Recycled content construction, building and maintenance products, including plastic lumber, carpet, tiles and insulation
 - Re-crushed cement concrete aggregate and asphalt
 - Cement and asphalt concrete containing glass cullet, recycled fiber, plastic, tire rubber, or fly ash
 - Compost, mulch, and other organics including recycled biosolid products
 - Re-manufactured and/or low or VOC-free paint
 - Cleaning products with lowered toxicity
 - Energy saving products
 - Waste-reducing products
 - Water-saving products

7. Socially Responsible/Ethical Procurement Standards

1. In demonstrating a commitment to sustainability and seeking to ensure safe and healthy workplaces for the people who make products for the University of Florida, purchasers should strive to ensure that the products they purchase meet International Labor Organization (ILO) manufacturing standards and Fair Trade Labeling standards.

Learn more about the importance of ethical purchasing:

- Verité (www.verite.org)
- Workers Rights Consortium (www.workersrights.org)
- Silicon Valley Toxics Coalition (svtc.org)

8. Glossary

1. Environmentally Preferable Products are products that have a lesser impact on human health and the environment when compared with competing products. This comparison may consider raw materials acquisition, production, manufacturing, packaging, distribution, reuse, operation, maintenance, or disposal of the product.
2. Green Procurement means purchasers take into consideration the environmental impact of products when making purchasing decisions, giving preference to more environmentally friendly products when quality and price are equal or superior.
3. Recycled Products are products manufactured with waste material that has been recovered or diverted from solid waste. Recycled material may be derived from post-consumer waste (material that has served its intended end-use and been discarded by a final consumer), industrial scrap, manufacturing waste, or other waste that would otherwise have been wasted.
4. Sustainability means meeting today's needs without compromising the ability of future generations to satisfy their needs.
5. Waste Prevention means any action undertaken by an individual or organization to eliminate or reduce the amount or toxicity of materials before they enter the municipal solid waste stream. This action is intended to conserve resources, promote efficiency, and reduce pollution.
6. Reuse means repairing what is broken or giving it to someone who can repair it or use it in its current state.
7. Reduce means using less of products and utilizing other means of doing business when available to reduce the amount and toxicity of trash discarded.
8. Recycle means to reprocess and reuse used material.

9. Life Cycle Evaluation is an evaluation of the major environmental impacts in each life-cycle stage of a product category including resource extraction, production, distribution, use, and eventual disposal or recycling. The evaluation considers energy, resource use, and emissions to air, water, and land, as well as other environmental and health impacts. The purpose of this evaluation is to identify significant life-cycle stages to be addressed.
 10. Life Cycle Cost Analysis is an economic evaluation technique that determines the total cost of owning and operating a building or equipment.
 11. Rechargeable means to replenish the amount of electric power in something, especially a battery.
 12. Extended Producer Responsibility (EPR) is vendors taking on the responsibility for the environmental impacts of their products through the entire product's life cycle; especially the take-back, recycle, and disposal programs.
 13. Leasing is a legal rental contract allowing somebody exclusive possession of another's property for a specific time in return for a payment.
 14. Certification an official document or seal providing evidence and details of something that is authentic and verified by a third party.
9. Exemptions
1. Nothing in this directive should be construed as requiring the purchase of products that do not perform adequately or are not available at a reasonable price.

Disbursements

1. Introduction and Contact Information
2. Definitions
3. Expenditure Policy
4. Guidelines for Certain Types of Expenditures
5. Processing of Invoices
6. Vendors
7. Payment Processing
8. Voucher Corrections
9. Supporting Documentation
10. Research and Reporting

INTRODUCTION AND CONTACT INFORMATION

A. Disbursements Services is the core office within Finance and Accounting that is responsible for managing the payment systems of the University. Services include:

1. Delivering accuracy and efficiency in executing payments and related transactions.
 2. Centralized imaging for vendor invoices and uploading into payment systems.
 3. Vendor File maintenance and enrollment for electronic payment solutions.
 4. Tools for UF business units to leverage electronic imaging and technologies for internal controls and fund management.
 5. Review for prompt payments.
 6. Central coordination with other internal and external audit/compliance reviewers.
- B. Purchasing Services and Disbursement Services function together to ensure that the procurement and payment process is as seamless as possible.
- C. This section of the Directives and Procedures (D&P's) focuses on options and requirements for accomplishing payment for University business. University Disbursement Services staff will be glad to assist with expenditure and payment issues and can be reached at 352-392-1241 at extensions detailed in the following Employee Directory.

DEFINITIONS

1. Accounts Payable - Accounts payable are debts resulting from purchasing goods or receiving services on credit or on an open account. Accounts payable are incurred when goods or services are received but not yet paid
2. Advance Payment - Payments made to a vendor before goods and/or services are received.
3. Cash Expense Refund - Cash expense refunds are reimbursements (including reimbursements from employees), rebates, and other moneys returned from a vendor.
4. Check Request – This is used to manually create a payment request (voucher). The check request is only utilized to process unencumbered payments such as revenue refunds, special check handling requirements and payment from funds transferred from the University Foundation.
5. Commodity - Any of the various supplies, materials, goods, merchandise, food, equipment and other tangible property purchased, leased or otherwise contracted for by the university.
6. Credit memo – This is a type of vendor transaction where the University is receiving a credit from the vendor with instruction to handle as a reduction to a future payment.
7. Department Security Administrator (DSA) - This is the position designated to coordinate access requests to University's systems at the Dept ID level.
8. Dept ID – This is the organizational level where access and accounting is defined within University systems, as discussed further in the Accounting and Reporting section of the Directives & Procedures. This is the key identifier for routing and accounting for purchases and payments and must be indicated on all invoices and disbursement requests.
9. Direct Support Organization (DSO) - An entity organized and operated exclusively to receive, hold, invest and administer property and to make expenditures to or for the benefit of the University.
10. Discount - An allowance extended by a vendor to encourage payment of an invoice on or before a stated date that is earlier than the NET (due) date and which is agreed to by the vendor and the University.
11. Employee Reimbursement - Reimbursement to an employee for expenses incurred in connection with authorized university business.

12. Encumbrance - An encumbrance represents a commitment, which generally results from the issuance of a purchase order for which goods or services being purchased have not yet been received. Since the goods or services being purchased have not been received, they are not considered a liability and therefore, no legal obligation to pay exists. Encumbrances are deducted from budget balances. This is done as a budgetary control and should not be construed as an actual expenditure.
13. Encumbered Disbursement - Payment to a vendor applied against an encumbrance.
14. Fund Administrator – This is the accountable financial officer for the use of funds. This individual is responsible for the expenditure of these funds and any delegations made for this purpose.
15. Internal controls – Processes that help ensure that payments that have been authorized by the University and are accurately recorded in the records of the University.
16. Invoice - A written document delivered to the University showing the quantity, price, terms, nature of delivery, and other particulars of goods or services sold or services rendered.
17. MyUF Payment Solutions (MPS) - MPS is a third-party administrated solution used to electronically receive and route documents and requests for payment.
18. myUFL – This is the University’s accounting and reporting system.
19. Payment terms – Are set up for each vendor and define when they will be paid for goods and/or services.
20. Perquisites - Any tangible privilege or gain beyond salary and entitlements provided to administrators, faculty or other employees, including but not limited to housing allowance, car allowance, uniforms, etc.
21. Purchase Order (PO) – A contract for the purchase of a good or service. The process of issuing a PO ensures compliance with purchasing policies, budget checking for available funds, and encumbering of funds in the University’s budget systems.
22. Purchasing – The process of acquiring goods or services.
23. Purchasing card, or PCard – Credit card issued by University Purchasing Card Services to qualified/approved users which authorizes the holder to make direct purchases for business purposes.
24. Receiving – Receiving refers to evidence and verification of receipt of goods or services and is mandatory prior to an invoice being processed for payment. The receipt date of goods or, if services, completion dates, support the timing and appropriateness of payment and should be noted on the invoice or other transaction support as relevant to the nature of the purchase. This becomes a key date in supporting timely payment.
25. Requisition – Internal request to purchase a good or service.
26. Revenue refund - A [revenue refund](#) is a return of previously recorded revenue. In MPS, revenue refunds are processed by inputting a check request.
27. Split payments – A split payment is the terms referring to situations where an invoice is paid from multiple funding sources. Multiple distribution lines on a voucher will be used to account for this type of transaction.
28. Tax exempt – The University is not subject to Florida sales tax. The exemption certificate can be accessed through the following link (University of Florida's Sales Tax Exemption Certificate) and should be presented to the vendors.
29. Transaction Authorization Form – A form prepared when documentation does not exist and is used to support a payment request. This form would be prepared with an MPS check request where an invoice is not

provided due to the nature of the transaction or where the documentation is held in the department because it contains confidential information.

30. Unencumbered Disbursement - Payment to a vendor when an encumbrance does not exist.

31. Vendor – An organization or individual who provides goods or services.

32. Vendor Invoice - A detailed list of goods shipped or services rendered, with an account of all costs; an itemized bill.

33. Voucher – A voucher is an online request for payment that holds PO/invoice information and creates a payment schedule.

EXPENDITURE POLICY

A. General Guidelines

1. Purchasing Services and Disbursement Services work together to address and communicate what purchases are allowable. UF Purchasing Directives profile procedures and considerations for major categories of purchase, whether funded by state appropriation, grants or auxiliaries.
2. As a general rule, moneys may only be expended for reasonable and appropriate goods or services necessary to accomplish the mission of the University. To be an allowable expenditure, a clear business purpose must exist; and all allowable expenditures, regardless of funding source, must be for relevant and appropriate operating expenses.
3. Certain items are never allowed, regardless of UF funding source:
 - a. First class travel
 - b. Private Club memberships
 - c. Lavish or extravagant entertainment, including service of alcohol
4. Items for personal benefit to an individual (other than incidental benefit) - Examples of items that are not be permitted: personal fans or heaters, wall hangings or decorations for (personal) offices, microwaves for (personal) use, personal fines or fees of an employee, etc.
5. All transactions must comply with:
 - a. Competitive procurement process (including bid/quote limits)
 - b. Contract and requisition business rules
 - c. Limitations on unencumbered expenses
 - d. Travel directives on reimbursement, including pre-approval and reimbursement in myUFL.

6. All disbursements and expenditures must have written documentation suitable for auditing purposes.

B. Allowable Expenditures Based on Fund Source

1. State Appropriations (“E&G” Money) – Budget-based funds

a. This funding comes from/is re-distributed through:

1. The State’s General Revenue funds (Fund Codes 101, 102, and 103)
2. Student tuition, some collected student fees (Fund Codes 121, and 122)
3. Educational Enhancement Trust Funds (Fund Codes 111, 112, and 113)

As a general rule, these funds can be spent in a wide variety of ways – salaries, office supplies, travel, etc. – so long as the funds are being spent for relevant operating expenses and expenditures meet the intent and spirit of the law authorizing the payment. Reference Guide is maintained under www.myfloridacfo.com.

2. Sponsored Projects- Budget-based funds

a. This funding results from projects proposed by a principal investigator (PI) to an outside agency, where that agency then provides funding against the proposal. Sponsored projects involve contractual agreements with PI’s that have been approved and funded by an external funding agency.

b. Generally speaking, these track with the expenditure guidelines for State Appropriations, though they must be specifically responsive to the funding agreement and purposes of the Project.

c. The use of these funds are subject to Indirect and Direct Cost considerations as is addressed further at <http://www.fa.ufl.edu/departments/cost-analysis/costing-guidelines-and-policies/>.

d. Relevant fund codes for direct costs of Sponsored Projects involve:

1. Fund Code 201 – Federal Sponsored Programs
2. Fund Code 209 – Non-Federal Sponsored Programs
3. Fund Code 214 – Non-Federal Clinical Trials

3. IFAS Federal Funds – In addition to state appropriations and sponsored projects funds, IFAS also receives federal funds tied to UF’s status as a land-grant institution with related research and extension activities. These funds are allocated at the discretion of the IFAS Dean and follow federal guidelines. Funds codes are as follows:

- a. Fund Code 221 – IFAS Experiment Stations
- b. Fund Code 222 – IFAS Extension Services

These funds are federally appropriated funds and are subject to the expenditure guidelines for appropriations set forth by the State Department of Financial Services, Division of Accounting and Auditing.

4. Returned overhead – At the end of each year, Indirect Costs that have not been expended are placed into Fund Code 211, a cash-based fund for use at college/department/project level for purposes which support research, research-related activities, sponsored training programs and extension.

5. Residual funds – Funds that are not returned to the Sponsor at the end of a Sponsored Project are associated with Fund Code 212, which is a cash based fund. These are discretionary moneys restricted for purposes of supporting research.

6. UF Strategic Funds - These are dollars allocated by the President/Provost for strategic purposes across the university. These funds originate as investment earnings that must follow the original source of the funds and cannot be transferred for other use. Fund Code 175 also receives funds from other specific sources for strategic use.

a. Fund Code 275 – Research-related

- 1. DSPSTRG – From DSP contributions
- 2. INTSTRG – From research related interest earnings
- 3. Allowable use is the same as Returned Overhead funds.

b. Fund Code 175 – Non-research related

- 1. APPROPN – carries restrictions of appropriated funds
- 2. UNRESTN – unrestricted
- 3. PROVOST – UF Bookstore commissions
- 4. SRVPHSC - Shands administrative overhead

7. Component Units (CU's) – Cash-based funds - This funding pertains to Direct Support Organizations (DSO's) or other affiliates, like Faculty Practice Plans (FPP's). These CU's exist to benefit UF but are separate non-profit corporations that have their own tax id's and own requirements. These include:

A. Direct Support Organizations - DSO's

- 1. UF Foundation
- 2. UF Research Foundation
- 3. UF Athletic Association
- 4. Gator Boosters

5. UF Law Center Association
6. FL Foundation Seed Producers
7. FL 4-H Club Foundation
8. SW FL Research & Education Foundation
9. Citrus Research & Education Foundation
10. Treasure Coast Agricultural Research Foundation
11. FL Leadership & Education Foundation
12. UF Historic St Augustine, Inc.
13. UF Alumni Association
14. UF Investment Corp
15. UF Development Cop
16. Gator Health

B. Affiliates

1. University Village Apartments
2. FL Clinical Practice Association
3. FL Health Professions Association
4. Nursing Faculty Practice Association
5. Pharmacy Faculty Practice Association
6. Veterinary Medicine Faculty Association
7. UF Jacksonville Physicians; UF Jacksonville Healthcare; UF Faculty Clinic/Jacksonville
8. Shands Teaching Hospital and Clinics; Shands Jacksonville Healthcare, Inc.
9. Faculty Associates

C. CU employees may be, but are not always UF employees.

D. Expenditure rules for each organization are guided by the CU's Memorandum of Understanding (MOU) and any donor-specific restrictions. There are 4 basic criteria which determine the legitimate use of CU funds:

1. The use must be reasonable and for and on behalf of UF and its mission.
2. If applicable, the use must fall within the donor's intent for the gift.
3. The use must not jeopardize the CU's tax-exempt status.
4. The use must comply with all applicable statutes and regulations.
5. Some DSO's are required to follow the same Purchasing quote/solicitation thresholds as UF.

E. Money spent by the CU for the purposes of accomplishing the CU's express mission, including travel and entertainment expenses for fund-raising and development purposes, are processed directly by the CU in accordance with its policies.

F. DSO's process disbursements through the myUFL system under the guidelines and toolkits available at Paying vendors (for DSO's).

G. Transfer from Component Units-Fund Code 171 – used for all transfers from CU's, except where circumstances require a different fund code such as UF Research Foundation Code 213 discussed below.

1. Source of funds is a required chartfield to define source for these transfers.

2. Funds sources include fees charged for delivery of services in the clinical operations of the Health Science Center colleges.

3. Faculty Practice Plan (FPP) funds can only be expended for purposes consistent with and supportive of the objectives of the respective College, the Health Science Center, and UF, and in accordance with the approved faculty practice plans.

4. Expenditures may be made, subject to appropriate approval, for items such as:+

a. Enrichment of a Department's academic activities.

b. Provision of appropriate salary and fringe benefits to designated faculty of the respective College.

c. Food & beverage for meeting, entertaining or recruitment purposes, if supported by a statement of business purpose and list of attendees.

d. Coffee or water service for department.

5. Items that should not be paid from FPP funds include personal or other expenses not having a direct business purpose associated with the mission of the College and University. Examples would include:

a. Gift cards/certificates or monetary gifts, consistent with UF Gift/Gift Card policy below. Consulting fees to any state employee.

b. Petty cash funds unless approved by UF's Controller with approved controls and guidelines.

c. Contributions to political organizations (except if part of a membership fee).

d. Some colleges may have additional restrictions or guidelines governing how FPP funds may be used.

8. University of Florida Research Foundation (UFRF) Allocations - Fund Code 213 – UFRF operates as a DSO that promotes, encourages and provides assistance to UF's research activities. This fund receives the funds

generated by royalties and licensing as well as funds from private foundations and provides discretionary moneys restricted for purposes of supporting research.

9. Auxiliaries – Cash-based Funds

A. This funding comes from the sale of goods and services. Examples of Auxiliary fund codes are:

1. Fund Code 142 – Transportation and Parking
2. Fund Code 143 – Distance, Continuing and Executive Education
3. Fund Code 146 – Housing -General
4. Fund Code 149 – Auxiliary – Other funds
5. Fund Code 159 – RCM Support Unit Fund
6. Fund Code 151 – Auxiliary – Working Capital (Physical Plant)

B. Moneys generated by an Auxiliary Department of the University are not considered appropriated and therefore are not subject to the expenditure guidelines for appropriations set forth by the State Department of Financial Services, Division of Accounting and Auditing. Generally, Auxiliary moneys may be expended for any goods and services necessary to fulfill the mission and programmatic needs for which the Auxiliary was established.

C. Specifically disallowed are:

1. Alcohol (other than at “Fee-collected Events”)
2. Entertainment for visiting dignitaries
3. Flowers
4. First class travel, as defined in Section A.

10. Other UF Funds

Typically, use of these moneys should follow the same guidelines as Auxiliary funds, unless other specific donor restrictions apply.

1. Fund Code 179 – Other Miscellaneous Donations - This fund does not have a standard funding source – It is used primarily for non-research miscellaneous donations and revenues.
2. Fund Code 279 – Restricted Incidental Fund - Incidental revenues that are restricted to a specific department or purpose.

3. Fund Codes 181 (Research), 182 (Extension) – IFAS Incidental Funds - Used for revenues from the sale of certain goods and services - Example would be soil testing by the Department of Soil and Water Sciences.
4. Fund Codes 185,186 – Health Science Center Trust Funds - Used for revenues from the sale of certain goods and services. Fund 185 is used by all 6 Colleges. Fund 186 is for Veterinary Medicine Teaching Hospital use.
5. Fund Code 192 - Concession funds - These are commissions from UF's vending contracts for beverages, food, and games. These funds are used for discretionary purchases that support a University business purposes that generally are not made with state or grant funds.
6. Fund Codes 5xx – Capital Projects - Funds used for Capital Projects may include state appropriations, funds managed through UF's Capital Improvement Trust Fund (CITF), and/or Public Education Capital Outlay (PECO) funds. Capital projects are managed by UF Facilities and Planning Office or IFAS Facilities. The Construction Accounting Department serves as the chief budgetary and fiscal office for all construction projects undertaken by UF.
7. Fund Code 191 – Student Government Funds - These are student activity and services fees collected by the University Bursar as a component of tuition. These funds are administered by the Division of Student Affairs. Use is allocated by the Student Senate to the needs of student groups.
8. Fund Code 162 – Materials & Supply Fee - These funds are also collected as fees with tuition. Use is for classroom material & supplies consumed each semester.
9. Fund 163 – Equipment Usage Fee - These funds are also collected as fees with tuition. Use is for replacement costs of equipment over time.
10. Fund Codes 131, 251, 901 – Scholarship Funds - These fund codes receive funding that includes UF Departments, the State of Florida, federal and other outside agencies, private donations, UF Foundation and interest earned on investments.
11. Fund Code 301 – Federal Loan Fund (Perkins Loans) - Revolving fund receives funding from federal government and UF matching.
12. Fund Code 331 – Regular Loan Fund - Revolving fund receives funding from private donations and UF Foundation.

Additional references, including account use permitted by fund, are available under the Chartfield section of the Finance & Accounting website.

GUIDELINES FOR CERTAIN TYPES OF EXPENDITURES

A. Alcohol - The University is always at risk when alcohol is involved. Such events should be managed with common sense and due care. Alcohol cannot be charged to E&G funds. Amounts expended from discretionary funds for the purchase of alcohol must be reasonable. Alcohol purchases are allowed to be charged against the following funds:

1. Non-fee Collected Events – Foundation and Academic Enrichment Funds (AEF) funds only
2. Fee Collected Events – Auxiliary, AEF, Agency, and Foundation funds only.

B. Awards - Each department head is authorized to incur expenditures for giving awards in the following situations:

1. Retiring employees whose service has been satisfactory and other employees who demonstrate satisfactory service to the university may be awarded suitable framed certificates, pins and other tokens of appreciation and recognition. Awards may not exceed \$100 each.
2. See (section 5(R)) for guidelines concerning gifts using foundation and AEF moneys.

C. Contributions to Charitable or Political Organizations

1. Payments to a Political Action Committee (PAC) included within a membership fee – allowable for all funds.
2. Amount paid to a PAC within a membership fee that is separately distinguishable – allowable on fund 171 only.
3. No other political contributions are allowable.
4. Lobbying – allowable on fund 171 only.
5. Charitable contributions – allowable on AEF funds only.

D. Educational Courses – Departments may pay for educational training and courses that are designed to improve the efficiency of a qualified employee when the courses are directly related to the employee's current job duties. Educational courses intended to prepare an employee for a job primarily of benefit to the employee and only indirectly beneficial to the university, do not constitute a proper expenditure of moneys.

E. Employee reimbursements- Reimbursement to an employee for expenses incurred in connection with authorized university business can be claimed when the expenses meet the following university guidelines.

1. Moneys are available to support the proposed expenditure.
2. All reimbursements should be approved by the departmental individual with budgetary responsibilities.
3. All expenditures follow appropriate university directives, regardless of the source of funds, unless specifically exempted by an external agency, grantee, or donor.
4. All disbursements and expenditures must have written justification suitable for auditing purposes.

The University of Florida's employee reimbursement plan is defined as a qualified accountable plan by the IRS based on adherence to the following rules:

- a. Employee expenses must have a valid business purpose
- b. Employees must adequately account to the employer for incurred expenses within a reasonable time period
- c. Employees must return any excess reimbursement or allowance within a reasonable time period

The IRS or the University defines reasonable time periods for the different types of transactions as follows:

- a. Advances should not be given greater than 10 days prior to when expenses are incurred
- b. Advances should be settled and excess reimbursement returned within 30 days of the when the last expense was incurred
- c. Employees must adequately account for all business expenses within 60 days of when they are incurred

These rules must be met for the expenses to be deemed payable under an accountable plan after. If not, the employee reimbursement is treated as taxable income and reported on the employee's annual Form W-2.

F. Entertainment – The University may pay or reimburse expenditures relating to entertainment when the purpose is fundraising, recruitment, promotion of the university, or entertainment for guests of the university by designated university officials. For purposes of these Directives and Procedures, "designated university officials" include deans, vice presidents, development officers, senior administrators, and other employees who have been asked to serve in a host capacity. Examples of entertainment expenditures include food, beverages, admission charges, flowers, mementos and other miscellaneous expenses. Entertainment expenditures must be reasonable, prudent, appropriate to the occasion and consistent with the University's mission. Entertainment expenses are generally allowed only from Direct Support Organization funding sources.

G. Equipment Leases – All lease payments made on behalf of the University of Florida must be encumbered and processed as encumbered payments. Recurring payments should not be made until the majority of the service has been received. For monthly installments, payments should not be made until the 24th of the month. For quarterly installments, payments should not be made prior to the 24th of the second month of the quarter.

H. Expenditures involving Personally Identifiable Health Information (PHI) - UF Privacy policies and procedures provide the definitions for PHI and the requirements of UF's related privacy compliance programs. These include requiring Departments to manage Business Associate Agreements, or alternate disclosures via purchase order, to vendors that use or may generate PHI.

1. Electronically submitted invoices from vendors must not include PHI.
2. As an exception procedure, HSC Departments are permitted to receive and retain invoicing at the Department level and direct a Transaction Authorization Form and the HSC-PHI Cover Sheet in place of the vendor invoice detail.

Voucher cover sheet - Invoices containing PHI

I. Furniture - Departments should purchase office and public area furniture in accordance with the contract (State or university) in effect at the time of purchase. If a department needs to purchase furniture not available on contract in order to provide a reasonable accommodation under the ADA, the department should contact the UF ADA Compliance Office.

J. Gift Cards/Gift Certificates/Gifts to Employees – The purpose of this Policy is to set forth the guidelines for the purchase and distribution of gift cards/certificates and gifts to employees purchased with University funds to ensure compliance with the University's tax withholding and reporting obligations.

1. Gift Cards or Certificates to Human Subject Payments – Human subject payments to participants of research or survey projects (including employee participants) may be made with a gift card. These cash equivalent payments are considered taxable income and will result in
These transactions must be coordinated via the Human Subject Payment program administered by Treasury Management. They can be contacted at 352-392-9057 or at tmhelp@admin.ufl.edu.

2. Gift Cards or Certificates to Employees – Any gift card purchased with University funds and given to an employee will be considered taxable income to the employee. University Payroll and Tax Services must be contacted (unless provided as a human subject payment) to add the amount of the gift card to the employee's Form W-2 for the calendar year in which the gift card is received. There is no minimum dollar amount for this treatment. As such, gift cards to employees are discouraged. Infrequent noncash awards of nominal value given to employees will not be reported as taxable compensation (see Awards in Section 5.B.)

3. Gift Cards or Certificates to Non-employees – Gift cards presented to non-employees may be taxable and reportable income on Form 1099-MISC to the recipient if the amount totals \$600.00 or more in a calendar year.

4. General Rules

- a. Gift cards/certificates are allowed to the extent the expense is reasonable and necessary to carry out the mission of the University. They may not be lavish or extravagant, and must comply with any funding source restrictions.

- b. A gift card log must be kept for individuals acknowledging receipt of gift cards.

- c. It is the responsibility of the department to maintain the same level of internal control over gift cards as they would maintain over a petty cash fund. This includes storing the gift cards in a secure place and providing segregation of duties so that the employee purchasing the gift cards is not the employee who holds or assigns the gift cards.

- d. It is the responsibility of the department to track if any individual receives \$600 or more during the calendar year and to provide the necessary information to Disbursement Services by January 1st of the following year so that a Form 1099 can be generated.
- e. Gift cards purchased outside of the Human Subject Payments system should not be made via a UF Pcard.

5. Gifts to Employees

Permitted gifts, employee length of service awards or retirement gifts must be nonmonetary, infrequent, and de minimus having a value of \$100.00 or less. Per IRS regulations, generally gifts to employees must have a value of \$100 or less to avoid being taxable income to the employee. Cash and gift certificates are always considered taxable income and therefore may not be given.

K. Honoraria – An honorarium is a payment made to an individual for participation in a University sponsored activity where no payment is legally required and no contractual obligation for performance exists. It is a monetary “thank you,” where the individual remains free to withdraw at any time from the event without notice or recourse by the University. Though honoraria involve token payments, they generate taxable compensation to the individual and are impacted by factors such as residency (domestic or foreign), and travel and expense reimbursement (T&E) considerations. The department should process the transaction as an unencumbered payment. A (Vendor Tax Information form) must also be completed. If the arrangement includes reimbursement for travel expenses, these expenses may be included on the same unencumbered voucher as the honoraria payment. University faculty and staff CANNOT receive honoraria from the University and must be paid through payroll.

L. Human Subject Payments (HSP)

1. The Human Subject Payments system is a myUFL module that enables researchers or their study team members to request payments for research participants —such as prepaid Visa cards, gift cards, cash—and provides a controlled method for handling those payments.
2. This also establishes a secure database to house payment and participant information, reducing or eliminating data that departments must store, and provides central review for compliance and tax reporting considerations.
3. Effective July 14, 2014, anyone who pays research participants (other than in-kind payments) must use the new system and process. Treasury Management is responsible for this system and is the only campus method for requesting cash and prepaid or gift cards for HSP use.

myUFL Toolkit for Human Subject Payments

M. Levies

1. Department of Revenue – The Department of Revenue will periodically provide the University with a file of vendors with delinquent State taxes. Upon receiving a request for payment (voucher) to one of these delinquent vendors, the payment will be denied. Vendors should be directed to contact the Department of Revenue if they have any questions concerning the tax delinquency. Once the delinquent tax liability has been resolved with the Department of Revenue, the payment request can be resubmitted for processing. The receipt for resolution of the delinquent taxes provided from the Department of Revenue must be included with the resubmitted payment request.

2. Internal Revenue Service – Levies are received by from the Internal Revenue Service (IRS) notifying the State that Federal taxes are owed by a particular vendor. Upon receipt of the levies, a flag is placed on the Federal Employer Identification Number (FEIN) and the vendor name to ensure that any payment made to that vendor is scheduled to the U.S. Treasury on behalf of the vendor. When release of levy is received from the IRS indicating that a vendor has satisfied the levy requirements, the flag will be removed from the FEIN and vendor name.

N. Lobbyist – Payments to a lobbyist are prohibited from E&G funds to pay a person that is not an employee, for the purpose of lobbying the Florida Legislature. Moneys for salaries, travel expenses, and per diem may be used for lobbying purposes of full time employees of the university, but funds may not be used to retain, by contract, an outside lobbyist.

O. Memberships - The following criteria should be utilized by departments when initiating payments for memberships:

Ensure the purposes, activities, and publications of the organization are consistent with the statutory duties and responsibilities of the organizational unit, officer, or employee requesting the membership, and the services, activities, and publications of the organization provide a direct benefit to the public purpose, work, and objectives of the organizational unit, officer, or employee requesting the membership.

Institutional memberships instead of individual memberships should be acquired if offered by the organization.

Memberships are not allowed to pay membership dues for maintenance of an individual's professional or trade status in any association or organization, except in those instances where agency membership is necessary and purchase of an individual membership is more economical.

A payment for a membership for multiple years will be allowed with a justification documenting a cost savings to the University. Lifetime memberships are not allowed.

If late fees or contributions are included in the cost of a membership, they must be deducted from the total cost of the membership before paid. Lobbying fees may be paid only if the fund source is Foundation or Agency.

P. Moving Expenses

Definitions – For the purpose of clarity and uniformity, the following terms shall have the meaning indicated:

1. Moving Expenses – limited to the cost of packing, shipping, and storage of household goods or a mobile home, and reasonable expenses incurred for moving an automobile.

- a. Household Goods – personal effects and property of a current or prospective employee.
- b. Mobile Home – any vehicle which is used as a home by a current or prospective employee.
- c. Gross Weight – the total weight of the truck and its contents.

2. Items not Included In Moving Expense

a. “Moving Expenses” as defined above does not include professional equipment and/or books necessary for job performance and housed at the university. Requests for moving laboratory equipment and professional books should be submitted on a separate requisition or separate line item, charged to freight. Approximate value of items to be shipped should be indicated for insurance purposes.

b. Moving expense does not include unpacking.

3. Action by the Requesting Department

a. A Requisition must include detailed information regarding the move, i.e., place of origin, date of anticipated move, addresses, telephone numbers, email address(es), and the name of the person to be contacted.

b. Purchasing will assign the move to a UF Contract mover

c. Depending on the availability of moneys, the department may agree to pay the entire amount of the move, or agree to pay a fixed amount with the employee paying the remainder. In this instance, the Purchase Order will be for that portion of the fixed amount authorized by the department. The employee must pay the difference between the amount authorized by the department and the actual cost of the move when the household goods arrive at their destination.

4. Action by University Purchasing – Upon receipt of the above, Purchasing will take the following action:

a. Assign move to contracted carrier.

b. Upon receipt of all the documentation and estimate from the carrier, the Purchase Order is issued.

- c. The move is coordinated by Purchasing with the carrier, the employee being moved, and the funding department.

5. Self Move – There are times that a new faculty/staff member may elect to move their own household goods themselves or another company. Should this be the case, there are a few guidelines that should help at the time of reimbursement.

The move will be paid for by the staff member and reimbursement will come after the receipts are received in the department. The request will need to be sent through University Payroll and Tax Services for review: PO Box 113201.

What the Department must do prior to the move:

- a. Complete the Approval to Pay Moving Expenses form – on the Purchasing Web page.
- b. Obtain the proper signatures on that form prior to the move.

What the Faculty/Staff member must do:

- a. Rent the Truck and any equipment necessary to complete the household move (ex: a hand truck for heavy items) or contract with a moving company
- b. Purchase boxes, tape, packing materials and obtain receipts.
- c. Obtain receipts for all fuel purchased for the moving truck.
- d. Obtain receipts for tolls if applicable.
- e. Check on homeowners and auto policies for items in transit coverage so as to avoid paying for insurance that is not needed.
- f. Submit all receipts pertaining to the move of Household Goods ONLY. The University does not consider meal expenses as moving expenses.

What the Department does after the move:

- a. Verifies the receipts submitted by the faculty/staff member pertain only to the moving of household goods.
- b. Submits to University Payroll and Tax Services – Cover sheet with the Approval to Pay Moving Expenses form and the valid receipts. University Payroll and Tax Services reviews submittal to determine appropriate method of reimbursement (Payroll or Unencumbered Payment).

Q. Non Resident Alien Payments (NRA – Individuals or Corporations) – Payments for NRA's are made through the payroll system in myUFL when the work is performed in the United States whether a tax treaty exists with their home country or not. Resident aliens and NRA's who only performed

work in their home country will be paid through Accounts Payable with an encumbered disbursement. Contact University Payroll and Tax Services at 352-392-1231 before processing any NRA payments

in Accounts Payable.

R. Payments with Component Unit Moneys – Foundation, AEF(Academic Enrichment Fund), and FCPA (Florida Clinical Practice Association)

1. Foundation Fund – In accordance with Florida Statutes Section 1004.28, the University of Florida will serve as a processing agent for DSO expenditures. Expenditures of DSO moneys for and on behalf of UF will be made within the myUFL system.

Campus departments must follow all UF business processes when expending DSO moneys including:

- a. Competitive procurement thresholds and processes (including bid/quote limits) apply to any items procured for UF using DSO moneys.
- b. Contract and requisition business rules.
- c. Limitations on which types of expenses will be allowed to be paid unencumbered.
- d. UF directives on travel reimbursements (actual lodging and the State of Florida rates for meals and mileage), including pre-approval and reimbursement of travel in myUFL.
- e. UF faculty and staff who are entertaining prospective candidates, speakers, consultants, etc., should charge those costs to entertainment expense account in myUFL. The actual amounts of reasonable and appropriate entertainment expenses may be reimbursed (See Section 5(F) - Entertainment).
- f. Travel and entertainment expenses for fund raising and development purposes, or otherwise for the purpose of accomplishing the express mission of the DSO, will continue to be processed directly by the DSO in accordance with its policies.

All funds shall be administered with due regard to conditions attached to the gift and governing statutes and rules, in accordance with what is reasonable and equitable, and lastly, in the manner in which persons of ordinary prudence would act in the management of the property of another. It is important to judge all expenditures in light of the DSO's responsibility to the public and its donors. There are four basic criteria which determine the legitimate use of DSO funds:

- a. The use must be reasonable and benefit the University.
- b. The use must fall within the donor's intent for the gift.
- c. The use must not jeopardize the DSO's tax-exempt status.
- d. The use must comply with all applicable statutes and regulations.

No DSO moneys may be used for:

- a. First class travel.
- b. Private club memberships.
- c. Lavish or extravagant entertainment.
- d. Political or charitable contributions.
- e. Personal benefit to an individual (other than an incidental benefit).

All disbursements and expenditures must have written documentation suitable for auditing purposes.

The UF Institutional Review Board (IRB) and Institutional Animal Care and Use Committee (IACUC) govern all expenditures relating to research on human or animal subjects. All Fund Administrators must be familiar with these requirements and are responsible for complying with all applicable IRB and IACUC rules and regulations.

Gifts to Employees – In accordance with IRS regulations, generally gifts to employees must have a value of \$75 or less to avoid being taxable income to the employee. Cash and gift certificates are always considered taxable income and therefore may not be given. Gifts for significant occasions (e.g. retirement) may be eligible for exception to these regulations; please contact the DSO Accounting Department. Such a gift could have tax implications to the individual receiving the gift.

If the DSO discovers a problem with an expenditure (including violation of donor restrictions), then the DSO will notify the UF Controller, who will be responsible for assuring the campus department reimburses the moneys that were inappropriately or improperly disbursed.

The UF Foundation may have additional requirements and guidelines for making disbursements utilizing UFF Source of Funds. The UF Foundation's Disbursement policies can be seen at the following website:

<http://www.uff.ufl.edu/Documents/Document.asp?DocID=1960>

2. Faculty Practice Plan Funds (FPP) – It is policy that Faculty Practice Plan funds be expended for purposes consistent with and supportive of the objectives of the respective College, the Health Science Center, and the University of Florida, and in accordance with approved faculty practice plans for the Colleges of Medicine, Dentistry, Public Health and Health Professions, Nursing, Pharmacy,

and Veterinary Medicine. . Subject to the discretion and approval of the Dean of the respective College or his/her designee, expenditures may be made for items such as enrichment of the academic activities of a department, provision of appropriate salary and certain fringe benefits to designated faculty of the respective College, reimbursement of costs incurred in meeting professional responsibilities subject to the University's limits on travel reimbursements, support of research and educational programs, procurement of research or medical equipment subject to the University's procurement policies, and defrayal of departmental operational expenses. Items that should NOT be paid for from FPP include:

Personal or other expenses not having a direct business purpose associated with the mission of the College. Exceptions to this policy:

- a. Expenditures for food and soft beverages would be allowed if made for meeting purposes, and are supported by a statement of business purpose.
- b. Expenditures for food and beverages would be allowed if made for entertaining or recruitment purposes, and are supported by a statement of business purpose.
- c. Expenditures for coffee and water services for departments would be allowed.

Permitted gifts must be nonmonetary, infrequent, and de minimus having a value of \$75.00 or less, except that employee length of service awards, such as retirement gifts, may have a value of up to \$400.00, subject to IRS requirements.

Gift certificates or monetary gifts for any purpose or any amount.

Costs of holiday, retirement, or miscellaneous parties which are frequent, or for which the value of the benefits to participants is unreasonable, lavish, or extravagant.

Tobacco products.

Parking decals for personal automobiles. Consultant fees to any state employee.

Petty cash funds unless approved by the Controller of the University of Florida with approved controls and guidelines.

First class or business class air travel, except that business class travel on flights lasting longer than nine hours is acceptable; air flight life/accident insurance.

Contributions to political organizations.

Fines and penalties resulting from violation of the law or local government ordinances. Exceptions to this policy, unless already noted, are permitted only with the express written authorization of the Senior Vice President, Health Affairs. Colleges may enact a policy which is more, but not less, restrictive than this Health Science Center-wide policy.

Faculty Compensation Plan Assessment (FCPA) Funds – Fund 171, Source of HSCFCPA will be utilizing the policies developed by the FCPA. These policies can be found on the FCPA Portal which can be reached at: <https://portal.comfs.ufl.edu/>. The Portal uses GatorLink authentication. Once in, you can navigate to the FCPA -> AP -> APDocuments -> Public -> FCPA_AP_Policies to reach the document.

S. Payments to Research Participants – This directive is intended to provide guidance and direction for payments to research participants in research studies approved by the Institutional Review Board (IRB) conducted at the University of Florida, in accordance with applicable Federal regulations and University research guidelines. This directive also applies to all gift cards issued to research participants, whether the cards are purchased by the University or are supplied directly by the sponsoring agency.

1. Participant Documentation – A Research Stipend Fund Expenditure Log (See forms on Finance and Accounting website) should be completed. This form will also be used for research stipend fund or gift card reconciliation and sponsoring agency documentation. Determine whether participant is a nonresident alien before allowing participation.

2. Nonresident Alien Participant – If the participant is a nonresident alien, whether they are already a University of Florida employee or not, payment will be through the University payroll system as additional pay. Taxes will be withheld and an IRS Form 1042-S, Foreign Person's U.S. Source Income Subject to Withholding, will be issued at the end of the year. Contact University Payroll & Tax Services since multiple tax forms will need to be completed, including obtaining a tax identification number for a non-employee.

3. Research Participants Other than Nonresident Aliens – There are 3 options for payment to these research participants:

a. Issue an accounts payable check to the research participant after obtaining the required information to establish the participant as a vendor. An IRS Form 1099-MISC, Miscellaneous Income, will be issued at the end of the year if payments total \$600 or more.

b. Pay the research participant in cash from a research stipend fund. Information on research stipend funds can be found in the section of directives and procedures entitled Cash, Collections, Receivables, and Investments.

c. Issue the research participant a gift card. Gift cards are defined as any cash alternative including gas vouchers, traveler's checks, debit cards and gift certificates. The purchase or use of gift cards to use for this purpose requires additional documentation. If the gift cards are purchased using a restricted grant source of funds (funds 201 and 209), the granting agency must give approval. If another source of funds is used, the Dean, Director, or Department Head must justify and approve the use of gift cards for payment to research participants. A UF Purchasing Card may not be used to acquire the gift cards; purchases may only be made with a voucher. Treasury Management can purchase gift cards for you. Please contact them at Treasury-HSP@admin.ufl.edu or 352-392-9057.

4. Cash or Gift Card Payments of more than \$600 in a Calendar Year – If payments to any participant receiving cash or gift cards total \$600 or more in a calendar year, it is the responsibility of the department to provide the necessary information to Disbursement Services by January

15th of the following year so that an IRS Form 1099-MISC, Miscellaneous Income, can be generated. Best practice is to obtain IRS Form W-9, Request for Taxpayer Identification Number and Certification, initially from each participant for compliance to IRS Form 1099 information reporting.

5. Internal Control Over Gift Cards – It is the responsibility of the department to maintain the same level of internal control over gift cards purchased to pay research participants as required over a research stipend fund. This includes storing the gift cards in a secure place; providing

segregation of duties so that the employee processing the voucher to procure the gift cards is not the employee who has custody or assigns the gift cards; maintaining a log of gift card recipients; and providing high level (Dean or designee) oversight of the gift card process.

T. Perquisites - Perquisites means those things, or the use thereof, or services of a kind which confer on the officers or employees receiving some benefit that is in the nature of additional compensation, or which reduces to some extent the normal personal expenses of the officer or employee receiving the same, and shall include, but not be limited to, such things as quarters, subsistence, utilities, laundry services, medical service, use of vehicles for other than university purposes. Perquisites may be furnished only when in the best interest of the university due to the exceptional or unique requirements of the position. Items that are required by the employer for safety, security or health purposes such as uniforms, safety equipment, special footwear, protective clothing etc., and are issued or purchased by the university are considered non-reportable/non-taxable items for federal tax purposes and may be purchased. Before purchasing items which require approval as perquisites, a Request for Approval of Perquisite or Sale of Goods and Services Form HR-400 must be completed and approved.

U. Promotional Items – The purchase of promotional and/or advertising expenses are not allowed using E&G moneys. These type purchases are allowed using other moneys as long as a clear University business purpose exists. If a department does not have access to sources of funds other than E&G, they can send a request to the University Controller with a justification of how the expenditure supports the mission of the department or University.

V. Recruitment expenses - The University of Florida will reimburse certain expenses incurred during the recruitment process, dependent on department or college funding. Any department seeking to recruit for a position may, with the approval of its Dean, Director or Department Head, pay either full or partial travel expenses of candidates for the position. Interview costs are the responsibility of the department involved. When approval by the Dean, Director or Department Head has been obtained, the department can proceed

with arrangements for interviews. All candidates should be advised of allowable expenses prior to the interview.

1. Tax issues – Before an offer is accepted, payment of authorized recruitment expenses such as airfare, hotel, and meals incurred during the recruitment process is not taxable to the prospective employee. A detailed accounting of all recruiting expenses is required. After an offer of employment has been accepted however, the employer/employee relationship is established and pre-move house hunting expenses incurred by the employee and family and paid by the University are considered taxable/reportable income.

2. Reimbursements

a. Reimbursement of Travel Expenses to Prospective Employees – Prospective employees may be reimbursed for the following expenses incurred during the recruitment process:

1. Cost of transportation to and from the interview site, including local transportation.
2. Actual cost of lodging.
3. State of Florida rates for meals.
4. Expenses for transportation, food, and lodging for accompanying guest (generally limited to one visit).

Travel expenses will be reimbursed in accordance with University Travel Directives and Procedures and at rates specified in those directives. Requests for reimbursement of travel expenses must be processed through the Travel and Expense module in myUFL.

b. Reimbursement to University Employees for Recruitment Expenses – Employees may participate in recruitment activities (luncheons, dinners, or receptions, etc.) for the purpose of allowing the prospective employee to meet with a search committee, University hosts, and/or faculty/staff within the department. In order to reimburse the University employee sponsoring and paying for the recruitment event, the department fiscal staff should enter a check request in the MPS system for reimbursement of expenses incurred. Original paid receipts must be attached as supporting documentation with the following information:

1. Name of prospective employee.
2. Title of position for which recruitment expenses have been incurred.
3. A listing of University hosts and any accompanying guests attending the activities.
4. A statement by the individual incurring the expense: “I certify these expenses were incurred as a result of recruiting for employment by the University of Florida.”

c. Expenses for alcohol may only be reimbursed using discretionary Foundation Funds (see Section 5(A)).

d. One area of significant cost that needs additional oversight is meals with candidates. The general guideline is that candidates are to be entertained at dinner by the appropriate department head (or substitute) plus a maximum of two other university hosts. The University will not cover the costs for large groups of employees.

3. Executive Search Firms – If the recruiting process may require use of an executive search firm, contact Purchasing Services prior to engaging any firm.

4. Exceptions to policy – All exceptions to this policy must be approved in advance by the appropriate President’s Cabinet officer or Dean.

W. Sales Tax – The University is not liable for the payment of State of Florida sales tax. [Exemption certificates](#) may be obtained from the F&A Forms web page. However, the sales tax exemption does not apply when an employee pays for a purchase on behalf of the university, even though that employee is subsequently reimbursed by the university. Also, the university is liable for sales taxes on purchases made out of state for use out of state.

PROCESSING OF INVOICES

In an effort to streamline, digitize and automate the processing of invoices and vouchering, UF Disbursements now utilizes a new Accounts Payable solution—myUF Payment Solutions (MPS.)

MPS provides a new supplier portal that enables electronic invoices to flow directly from vendors to UF Disbursements, eliminating extra steps and reducing paper in the process.

A. Required security

1. UF Department personnel will need the myUFL role of UF_FI_UNIVERSAL_INQUIRY to have authority to view vouchers in myUFL only. UF_AP_APPROVER or UF_AP_REVIEWER will be needed to input vouchers and/or approve invoices in the MPS system. To acquire these roles, contact your Department Security Administrator. PST970 myUF Payments for Approvers and PST956 Online Journal Entry training classes are required before the UF_AP_APPROVER role will be granted.

2. Whenever the role UF_AP_APPROVER is requested for an employee, an email should be sent to disbursements@ufl.edu listing the department IDs this person will need access to in the MPS system.

3. All users of the financial modules of myUFL always need the role of UF_SY_BUSUNIT_UFLOR.

4. The UF_AP_APPROVER and UF_AP_REVIEWER roles will grant permissions in both myUFL and the MPS system. The functionalities granted will be as follows:

MPS system:

UF_AP_Reviewer	UF_AP_Approver
Annotate invoice images	Annotate invoice images
Add supporting documents to invoices	Add supporting documents to invoices
Add notes to invoices	Add notes to invoices
Route invoices to users	Route invoices to users
Use the Out of Office feature	Use the Out of Office feature
	Add GL allocations to invoices
	Approve invoice for payments
	Enter a check request for unencumbered payments
	Submit invoice into workflow

myUFL:

UF_AP_Reviewer	UF_AP_Approver
Find an existing voucher	Find an existing voucher
Add supporting documents to vouchers	Add supporting documents to vouchers
View vendors	View vendors
	Amend ChartFields in vouchers
	Budget Check vouchers
	Create expense journals
	Finalize vouchers

5. DSO Department personnel will need the myUFL role of UF_FI_UNIVERSAL_INQUIRY to have authority to view vouchers and UF_AP_VOUCHER_PROCESSOR to input vouchers and Revenue Refunds in the myUFL system. To acquire these roles, contact your Department Security Administrator. PST971 Paying Your Vendors and PST956 Online Journal Entry training classes are required before the UF_AP_VOUCHER_PROCESSOR role will be granted.

B. Attributes of an Invoice - UF directives require that invoices be submitted in the following manner:

Vendors

Submit electronic invoices eliminating paper
 Email invoices to ufl@invoices.corcentric.com, or
 Mail to Disbursement Services for Imaging

Departments

Email invoices to ufl@invoices.corcentric.com, or
 Mail to Disbursement Services for Imaging

When emailing invoices, the attached file(s) must be either in .pdf or .tif format. Emails may contain multiple attached files but each file can only contain a single invoice. Files should not be larger than 8MB. All invoices should contain either a PO number or an 8-digit department ID number for the system to determine where to route the invoice. Encumbered invoices must contain the PO number. An emailed file should normally take 24-48 hours to come into the system and route to the department. When invoices do not contain the proper information, the transaction will be classified as an AP Exception and this exception must be resolved by Disbursement Services staff. This can delay the time it takes an invoice to reach a department.


Unassigned														
COR360 Voucher #	State	Invoice #	Invoice Date	Invoice Amount	PO #	Vendor #	Vendor Name	Has Trailing Docs	Approval Dept Id	Document Type	Created	From	Updated	Comments
10079628	AP Exception		7/17/2014 11:35:26 AM	\$29,254.61		9000095361	Rosen Golf Resort dba Rosen Shingle Crt.	No		Invoice	7/17/2014 11:36:55 AM		7/17/2014 11:36:55 AM	Indexed Dept ID not found

1. Original invoice – An original invoice is required to ensure that the expenditure has not been previously paid by the department. An invoice submitted for payment of an expenditure must be a legible document. If a department is utilizing a copy of the invoice as its original, it must contain the statement “original invoice not available, department records show that this obligation has not been previously paid” with the signature of the person certifying the statement.
2. Duplicate invoice – MPS and myUFL have the functionality to test for a duplicate invoice. If a voucher is received with an invoice number that was previously input to the same vendor, an error message will be generated and must be resolved before the invoice can be processed further. This is done to eliminate duplicate payments of an invoice. Some transactions will use the same invoice number for the same vendor, such as with recurring payments. The addition of the month to the end of the invoice number will eliminate the duplicate status. It is the responsibility of the department to ensure that duplicate payments are not made to a vendor.
3. Taxes – As a body corporate of the State of Florida, the University of Florida is not required to pay sales tax. Sales tax applied towards an invoice by a vendor should be removed before processing in MPS. Sales taxes will only be allowed when reimbursing an employee for expenses purchased. Use the University of Florida Sales Tax Exemption Certificate.
4. Split payments – A split payment consists of an invoice that is paid from multiple funding sources. Multiple distribution lines on a voucher will be used to account for this type of transaction.
5. Justification – Invoices where the benefit to the University of Florida is not clearly evident should contain a statement describing how the expenditure will benefit UF.
6. Attributes of an invoice – The following requirements apply to all invoices input for payment:
 - a. Thermo fax copies, because of their temporary nature, shall not be utilized as the original. It should be copied on a standard photocopy machine.

- b. Invoices for commodities must clearly reflect a description of the item or items, number of units and cost per unit. Numerical code descriptions alone will not be accepted.
 - c. Invoices for contractual services must also clearly reflect the services/deliverables that were provided. Invoices for fixed unit rate contracts must show the number of units and cost per unit. Invoices for contracts paid out on a reimbursement basis or a fixed rate for a specific time period, e.g. quarterly, monthly, etc., must be supported by documentation (such as a progress report) that clearly reflects the services/deliverables provided during the invoice period.
7. No balances for prior purchases will be paid unless supported by an invoice.
 8. A statement should not be paid unless it can be clearly shown that the vendor intended it to be used as an invoice.
 9. When paying for repairs, gas, maintenance, etc., to state vehicles and not using the UF Motor Pool, the invoice must contain the tag number, the vehicle number and an accident report (if applicable).
 10. When processing invoices, ensure that any sensitive information, social security number, credit card number, or driver's license number is redacted before it is put in the system.

C. Receiving - The receiving function is an integral part of the invoice payment process. Evidence and verification of receipt of goods or services is mandatory prior to an invoice being processed for payment. Although receiving is not required to be performed online in the MPS or myUFL systems (except for capital assets, see below), all departments must develop a method of properly documenting the receipt for all goods and services. The approval of an invoice in the MPS system constitutes verification by the department that the goods and services being paid for have been received. Receiving is required to be performed in the MPS system for purchases of capital assets. When approving an invoice applied against an encumbrance for capital assets, complete the asset section in MPS by checking the box and completing all the required information for capitalization.

Asset Purchase:

Received Date: 

Location:

Manufacturer:

Model:

Responsible Individual:

Serial Number:

D. Encumbered disbursements - Encumbrances are commitments of the department, which result from the issuance of purchase orders, for which goods or services are to be purchased. Generally, encumbrances are deducted from budget balances. This is done as a budgetary control and should not be construed as an actual expenditure of funds. Once goods and services are received, an invoice is processed and a voucher is made to schedule payment to the vendor.

1. All invoices should be approved in the MPS system by navigating to

Main Menu > My Self Service > myUF Payment Solutions. Instructions for approving an encumbered invoice/voucher can be found at the following locations:

- a. myUFL Toolkit for Approving an Invoice for an Encumbered Payment
- b. MPS Instruction Guide for Encumbered Invoices

2. Finalization of encumbrance through Accounts Payable – Once all payments have been made against an encumbrance, the PO can be finalized through the myUFL AP system. Navigate to the last voucher applied against the PO then click the “Finalize Document” icon (pink – see below). This will close the PO and not allow future vouchers to be applied against the encumbrance. The remaining balance of the PO will be restored to the proper departmental budget. If needed, a PO can be reopened through the myUFL AP system as well. Research and open the last voucher applied against the encumbrance and click the “Undo Finalize” icon (green – see below.) Once a voucher is finalized or unfinalized, it must be budget checked to update the commitment control ledgers. You can also utilize the finalize option located on the invoice line of a voucher to close specific lines of the PO.

Summary | Related Documents | **Invoice Information** | Payments | Voucher Attributes | Error Summary

Business Unit: UFLOR Invoice No: 1073584
 Voucher ID: P0119994 Invoice Date: 09/25/2014
 Voucher Style: Regular Voucher Accounting Date: 09/25/2014

Vendor ID: 000003308 Owens & Minor |
 ShortName: OWENSMINOR-001 PO Box 860437
 Location: 001 Orlando, FL 32886

*Address: 2
 Advanced Vendor Search

Invoice Lines: 67.69
 *Currency: USD
 Miscellaneous:
 Freight:
 Total: 67.69

*Pay Terms: 10 Net 10
 Basis Date Type: Inv Date

Difference: 0.00
 Calculate

Copy From: Source Document
 PO Unit: 2031
 PO Number: 1500250058
 Copy From: None Go

Invoice Lines
 Line: 1
 *Distribute by: Amount
 Ship To: R000004029
 SpeedChart:
 Item: UOM:
 Unit Price: Quantity:
 Line Amount: 67.68
 Description: 80011502141 - Advance Directiv

Calculate

Purchase Order & Receiver Info
 Associate Receiver(s)

Distribution Lines
 Exchange Rate Statistics Assets

Copy Down	Line	Merchandise Amt	Quantity	GL Unit	Dept	Fund	Program	Account	Bud Ref	Source	Flex	PC
	1	67.68		UFLOR	29310203	171	3100	739300	CRRNT	HSCFCPA		

E. Unencumbered disbursements- Unencumbered disbursements bypass the University’s purchasing system and should only occur where normal purchasing procedures are not available or where purchasing procedures do not provide any benefit to the transaction. Unencumbered vouchers will fail budget checking if sufficient budget is not available for the payment of the invoice.

1. Following is a list of allowable unencumbered expenditures. This list is not intended to be all-inclusive. Exceptions will be granted when a valid business purpose exists:

- a. Petty cash reimbursements
- b. Research participants
- c. Utilities/Telephone
- d. Freight/Postage
- e. Payments for \$5,000 or less in a calendar year to independent contractors who are providing services to the University. An independent contractor would be an individual person that does not have insurance - such as a guest speaker.
- f. Cellular charges

- g. Memberships/Subscriptions for Publications/Interlibrary Loans/Accreditation Fees \$75,000 or less
- h. Direct travel payments (car rental, conference registrations, entry fees and hotel payments)
- i. Advertising (limited to newspaper/magazine ads)
- j. Fellowships/Tuition/Scholarships (non-payroll)
- k. Settlement agreements l. Notary charges
- m. Awards
- n. Self-Moves – When a department only allows a small amount toward moving expenses and the new faculty/staff member elects to move their own household goods. (Self-Move definition and Instructions)
- o. Proctoring Services p. Licenses
- q. Insurance payments for \$5,000 or less
- r. Royalty payments
- s. Honoraria (Honoraria definition and Instructions)
- t. Employee/Student verification services (background check, credit check, SSN verification, etc.)
- u. Food – Foundation (171 Fund-Source of “F” or “L”) and Health Science Center accounts (171 Funds-Source begins with “HSC”), DOCE and Auxiliary funding (Funds 141-162), 192 Concession Funds and 191 Student Government Funds. A participant list and/or agenda is required to be submitted with backup documentation when using DOCE funds only.

All invoices should be approved in the MPS system by navigating to Main Menu > My Self Service > myUF Payment Solutions. Instructions for approving an unencumbered invoice/voucher can be found at the following locations:

1. myUFL Toolkit for Approving an Invoice for an Unencumbered Payment
 2. MPS Instruction Guide for Unencumbered Invoices
2. Expense to Expense (E2E) corrections – E2E transactions are journal entries used to make correcting entries into the general ledger system. This allows for the correction of previously input transactions to adjust for incorrect coding to cost centers. The originator of an E2E journal entry should never debit or credit a budgetary cost center in which they do not have budgetary responsibility. Instructions for inputting an E2E journal entry can be found in the myUFL Toolkits.
3. Transaction Authorization Form – If supporting documentation does not exist for a transaction in MPS, you must complete a Transaction Authorization form to submit as official documentation.

F. Cash Expense Refunds- Cash expense refunds include refunds, reimbursements (including Travel reimbursements by employees), rebates, and returned moneys from a vendor. In the myUFL system, a deposit must be recorded and an accounting entry must be created to accommodate these refunds. Instructions for inputting a Cash Expense Refund can be found in the myUFL Toolkits. Complete a Cash Expense Refund form.

G. Revenue Refunds- A revenue refund is a return of previously recorded revenue to a governmental agency, a return of fees or charges, etc. In MPS, revenue refunds are processed via unencumbered voucher, by inputting a check request. Instructions for inputting a check request can be found at:

myUFL Toolkit for Creating a Check Request for an Unencumbered Payment
MPS Instruction Guide for Check Requests

H. Credit Memos – Credits are often needed to account for returned goods to a vendor. A credit invoice is entered into MPS with a negative amount. If the credit is for a payment against a PO, the same procedures used to pay the original invoice (matched against the PO) should be used to input the credit. This will restore this balance back to the PO. A credit invoice will be applied towards other payments to the vendor reducing the amount paid. There is no need to hold credit invoices for a vendor. Once input into MPS and approved, the credit will be applied against other invoices payable to the vendor.

I. Processing Invoices Containing Personal Health Information (PHI) – When processing vendor invoices for payment that contain PHI, UF departments must adhere to the policies below:

1. Vendors that submit invoices containing PHI should be contacted by either the department or Disbursements and directed to send such invoices directly to the department for processing of payment. These invoices should not be submitted electronically by the vendor into the MPS system.
2. The HSC–PHI form located at the link below should be completed with the proper information acquired from the received invoice/statement. The original invoice/statement containing the PHI should be kept by the department and not submitted as backup documentation to the voucher for payment in MPS. The completed HSC–PHI form should be the only backup documentation in MPS.

Personal Health Information Invoices

3. In MPS, complete a check request and upload the completed HSC-PHI form as a trailing document. Instructions on completing a check request can be found at:

myUFL Toolkit for Creating a Check Request for an Unencumbered Payment
MPS Instruction Guide for Check Requests

VENDORS

A. Vendor File Maintenance - University Disbursement Services is responsible for the maintenance of the vendor file in the myUFL and MPS systems.

B. Addition of Vendors - requests for the addition of vendors should be directed to Vendor Maintenance at PO Box 115350, Gainesville FL 32611 or fax (352)392-0081. Please submit the following information:

1. Request type
 - a. New Vendor
 - b. Change to an existing vendor – please supply current vendor ID number
2. Vendor Classification
 - a. Supplier
 - b. Student – please supply UFID
 - c. Research Participant
 - d. Employees (for Refunds, Research Participants, and Wireless Device Allowances and certain payments – see Section E. 4 below)
 - e. Foreign Vendor – Requests to add foreign vendors must be pre-approved by University Payroll and Tax Services (352) 392-1231 before being added to the myUFL vendor file. Once approved, University Payroll and Tax Services will submit the information to Vendor Maintenance for input.
3. Vendor Information
 - a. Vendor name
 - b. Vendor address
 - c. Federal identification number
 - d. Phone and fax number
 - e. Remit address
 - f. Email address
 - g. Contact name
 - h. Purchasing address

C. Changes to Existing Vendors – Requests for changes to an existing vendor will be processed by University Disbursement Services based on a department’s request unless the request is for a change in name of the vendor. Departments should verify all requests for address changes with the vendor before submitting. A name change will require the submission of a newly completed W-9 or [UF Tax Information Form](#) for the vendor. Address changes to a business will require some form of back-up to process (EX: An invoice, notice of address change from company, or e-mail from the company requesting the update)

D. Adding Vendors via the MPS system

Vendors can be added via the MPS system without sending a request to Vendor Maintenance before the invoice arrives. The following instruction guide illustrates how to perform this request:

MPS Instruction Guide for Vendor Additions

After the vendor is added to the myUFL system by Vendor Maintenance, the transaction will be routed back to the department for final approval the following business day. The vendor process takes overnight to send the vendor from the myUFL system to MPS.

E. Required Supporting Documentation - Departments are responsible for obtaining the proper supporting documentation needed for the addition of a vendor. There are 3 forms available for adding new vendors to the myUFL system:

1. UF Tax Information Form - UF requires a UF Tax Information Form (or W-9 form, as long as the business operates under a Federal Tax ID) be on file for all vendors using a Federal Tax ID (not required for reimbursements or refunds.) Vendors will not be added without one of these two forms. The UF Tax Information Form is also used when gathering information for individuals providing services or participating in a research study. The UF Tax Information Form is required for all vendors using their social security number for tax purposes.
2. Vendor Application – A Vendor Application form is required for businesses using a Federal Tax ID, businesses with a DBA (doing business as) name operating under a Social Security Number, and foreign vendors. The vendor application aids the department in gathering the required information needed for the addition of a vendor into the system.
3. Electronic Payment Authorization – UF prefers for payments to be made via ACH. An Electronic Payment Authorization form must be submitted along with a voided check or letter from their bank stating their account number and routing number. Note: If you are wishing to pay a foreign vendor electronically you will use the Bank Wire Form instead.
4. Payments to an Employees' Businesses – Employees may engage in outside activities which provide service to the community and the University as long as they are not using their social security number for tax purposes. If the employee is using their social security number for tax purposes, they must be paid thru Payroll. To avoid any appearance of conflict that could arise between an employee's obligation to the University and such outside activities, a Disclosure of Outside Activities and Financial Interests form must be completed when contracting with an employee's business to perform services for the University.

F. 1099 Issuance - A 1099 will be sent to all independent contractors or individuals who receive total payments in excess of \$600.00 from the University within a calendar year. An employee can be paid as an independent contractor as long as the services provided are different that the services they provide to UF as an employee. Payments of more than \$600 in a Calendar Year – If payments to any vendor receiving cash, check or gift cards total \$600 or more, it is the responsibility of the department to provide the necessary information to University Disbursement Services by January 15th of the following year so that an IRS form 1099 form can be generated. Best practice is to obtain the tax information required for the form 1099 initially from each participant for use if the payments exceed \$600.

G. Vendor Payment Terms - Vendor payment terms for the University of Florida have been established as follows:

1. Reimbursements / Refunds / Individuals: 10 Days

2. Royalty Payments: Net Zero
3. Utility vendors (Electric, telephone, cellular): 10 Days
4. Non-profit & Small and/or Minority Status certifications: 10 Days
5. Businesses can choose to offer a 2% discount in exchange for Net 10 Payment – See Section I. below for further information on discounts.
6. Construction vendors: 20 Days
7. All other vendors: 30 Days

Payment dates are calculated based on the invoice date input into MPS. Requests to change vendor terms can be made by a vendor to addvendor@ufl.edu. A vendor will have to provide evidence of a hardship or an established minority status for this request to be considered.

If an emergency payment is needed before the scheduled payment date in myUFL, contact Special Payments at payments@admin.ufl.edu with a justification of the need for an accelerated payment date.

H. Prompt Payment Policy - All payments made by the University of Florida are subject to University Directives. It is the practice of the University that invoices on properly accepted goods or services will generally be paid within 30 days of receipt of the invoice. "Properly accepted" means receipt, inspection, and approval of the goods or services, except that in the case of a bona fide dispute the voucher shall contain a statement of the dispute and authorize payment only in the amount not disputed.

1. For the purposes of determining the receipt of invoice date, the department is deemed to receive an invoice on the date on which a correct and accurate invoice is first received at the location designated by the University.
2. The University is deemed to have received an invoice on the date of the invoice if the department has failed to annotate the invoice with the date of receipt at the time the department actually received the invoice or failed at the time the order is placed or contract made to designate a specific location to which the invoice must be delivered.
3. The University may make partial payments to a contractor upon partial delivery of goods or services or upon partial completion of construction when a request for such partial payment is made by the contractor and approved by the Controller.
4. This section does not apply to payments made to State agencies or other governmental entities within the State of Florida.
5. All purchasing agreements between the University and a vendor shall include a statement of the vendor's rights.
6. Invoices received from vendors that have failed to supply the University with a complete and accurate W-9 or other form that provides all necessary data to determine 1099 status will be deemed insufficient for payment until such information is received.

I. Discounts - When invoices are received in the department, they should be reviewed for discounts. If a discount is allowed, the invoice should receive priority handling so every effort is made to take advantage of

discounts offered by a vendor. The standard vendor terms are 2% 10 Net 30, which means if payment is received by the vendor within 10 days, a 2% discount may be taken. Otherwise, total payment is due in 30 days. The amount of the payment to the vendor should be entered into the voucher at the total amount due. MPS and myUFL will calculate the discount. The discount taken can be viewed in a voucher by selecting the "Payments Tab" and the discount will be displayed in the "Payment Details" box. If a vendor offers a discount and a voucher is applied against a PO, do not finalize the PO until the payment has been made to the vendor.

J. Federally Debarred Vendor - Requests for vendors to be added to the University's vendor file will be compared against the U.S. Government Federally Debarred Vendor listing. Any vendor listed on this site is excluded from receiving Federal contracts, subcontracts, and Federal financial and non-financial assistance and benefits. A vendor listed on this site will not be added to the University's vendor file if the source of funds to pay the related expenditure is derived from federal sources.

PAYMENT PROCESSING

A. Check production – checks are produced Monday through Thursday for outside vendors and on Tuesday and Thursday for travel reimbursements. Payments are selected within myUFL based on the scheduled pay dates.

B. Disbursement of checks – Once printed, checks are disbursed and mailed daily.

C. Alternate delivery of checks – Checks are disbursed directly to the vendor at the address specified in the voucher on the "Payments" tab under "remit to:" in the payee field. For alternate handling of a check, choose the appropriate Special Payment instruction in the Invoice Header section of MPS as follows:

1. Same day payment request – A transaction can be approved in the MPS system and a check requested to be issued on the same business day. The transaction must be entered and approved before 1:00 pm with the "Request Same Day Payment by AP" box checked. A file build will run at 1:45pm and build the voucher in PS for payment.
2. Special handling request – used when a payment needs handling other than simply mailing the check to the vendor. There are 3 selections:
 - a. Send check with attached form – this allows a user to attach needed documentation that must go along with the payment to the vendor. Use the "Upload Trailing Document feature" of MPS to attach the documents needed.
 - b. Call for pickup – allows a departmental user to come pick up a check. The text box will need to be completed with contact information.
 - c. Mail to alternate address – allows for mailing of check to address other than what is stated on the check. Accounts Payable staff will contact you to resolve any Vendor address issues.

A justification is required for any of the selections for same day processing or special handling.

Check Request

UNIVERSITY of FLORIDA

Check Request Number: 18038436
Invoice Date: 4/22/2014
Date Entered:
Amount: \$ 100.00
Check Description:

Vendor Search
Vendor Number: 000000214
Vendor Address: Celebrations Catering
302 N. Main St.
Gainesville, FL 32601
Invoice Number: 1322826

Vendor Info
Name To:
Address 1:
Address 2:
City:
State:
Zip:
Country:

Purpose:
Must be routed to Fund Administrator for approval

Special Instructions:
Request Same Day Payment to AP:
Send Check with Attached Form:
Call for Pickup:
Mail to Alternate Address:
Justification:

D. Payment cancellations - University Disbursement Services will process payment cancellations and reissues on an accounts payable check issued and transmitted upon request by a university department, or upon its own initiative, if the payment was made or transmitted in error, or payment is no longer justified. There is a 30 day wait period for stop payments (exceptions detailed below), therefore, delays in postal services is not a valid reason to request a stop payment. Payment cancellations are performed to ensure that improper or unjustified payments are not made after a check has been processed. A stop payment is not used to expedite the payment to a payee.

1. Duplicate checks (void and reissue of check) – A duplicate check will be reissued only in the case where the original check is in possession of University Disbursement Services or the department. The payment will be voided and the original voucher will be reissued, altered if needed per the department, and the payment will then be rescheduled for subsequent disbursement at the corrected amount. Return the check to the Banking area of University Disbursement Services, PO Box 115350 or call 352-392-1241 for assistance. The department will need to provide information on any changes that need to be made.

2. Stop payment of check – Stop payments will be entered to reissue payments to vendors or to perform payment cancellations (void). A stop payment for reissue of a check or voids will be utilized when the original check is not in the possession of University Disbursement Services or the department. A [University Disbursement Services-Affidavit for Duplicate Check](#) form will need to be completed by the department. University Disbursement Services will wait 30 days after the original check is issued before placing a stop payment, except for the following situations:

- a. Theft
- b. Forgery
- c. Error in amount, payee, or address
- d. Payment was made but goods or services should not have been paid due to non-conforming goods/services, or non-delivery

3. Voids – When a payment simply needs to be cancelled and not reissued, University Disbursement Services will void the payment and cancel the original voucher that created the transaction.

E. Returned checks – Checks are occasionally returned to University Disbursement Services. The department will be contacted, if necessary, to determine how to resolve the issue that caused the return.

F. Bank Wires – Bank Wires are used primarily for the direct transfer of currency to the Vendor’s bank (usually foreign.) A Check Request should be entered into MPS to record the proper payment to the correct vendor. In the case of payments in foreign currency, a currency converter should be used to convert the foreign funds to U.S. Dollars using the date the payment is entered into MPS. Once the Check Request has been entered and approved, a Bank Wire Form should be completed containing all banking information for the wire transfer. The completed form should be faxed to University Treasury Management at 352-846-3576 or emailed to investments@admin.ufl.edu. An email should be sent to payments@admin.ufl.edu with the Voucher # advising this is a Bank Wire. The wire transfer will be made by University Treasury Management and University Disbursement Services will record the voucher as a manually paid voucher to ensure a duplicate payment is not issued by myUFL.

VOUCHER CORRECTIONS

A. Vouchers input by Disbursement Services- In a decentralized environment, campus departments are responsible for the approval of all vouchers to pay vendors. Some vouchers will need to be created centrally by University Disbursement Services as follows:

1. Reversal vouchers – Once a voucher posts it can’t be deleted, a reversal voucher must be input to offset the original voucher. This process will be coordinated through the department that input the original voucher.
2. Payroll vendor vouchers.

A block has been placed on account codes in MPS and myUFL to prevent the use of non- expense or non-revenue account codes. If a non-expense or non-revenue account code is needed, contact University Disbursement Services to change an account code in a voucher.

B. Deletion/Declining of invoices/vouchers- If errors are discovered in an invoice/ voucher and it needs to be deleted, the invoice/voucher can be deleted by departmental personnel.

1. In MPS, utilize the “Decline” feature to delete an invoice. For instructions, go to the following:
MPS Instruction Guide for Declining an Invoice

2. To delete a voucher in myUFL, but only on the same day as the voucher is built, navigate to: Main Menu -> Accounts Payable -> Vouchers -> Add/Update -> Voucher Delete. Input the voucher number, click on search, and then click delete.

C. Unposting of vouchers – If errors are discovered in a voucher in myUFL and the errors need to be fixed, departmental personnel will only have access to change voucher information on the same day as the voucher is built. Once a voucher posts, changes can no longer be made by a department. Contact Disbursement Services to unpost the voucher. Once unposted, the department must make the needed changes on the same day as the unposting.

D. Voucher errors – Voucher errors have been reduced dramatically with the adoption of the MPS system. The usual errors...recycled vouchers, invalid chartfields, out of balance invoice lines and duplicate invoice numbers are all required to be corrected in MPS before the invoice can be approved for payment.

1. Matching – Matching is now performed in the MPS instead of myUFL. For an instruction guide on how to match invoices to purchase orders in the MPS system, navigate to:

MPS Instruction Guide for Matching A PO

2. Budget errors – Budget errors are created in myUFL when there is insufficient available budget to cover the total amount vouchered. Departments will be contacted to assist in handling all budget errors. myUFL possesses the functionality to notify departmental personnel of budget errors. An instructional guide that will aid in the [establishment of the required preferences](#) to activate this feature can be found on the Human Resources website.

SUPPORTING DOCUMENTATION

With the adoption of the MPS system, images of invoices are now automatically created and stored in the MPS system.

A. Submission of supporting documentation

1. MPS – Invoices are electronically created by the MPS system. Additional documentation can be added to an invoice or a check request by utilizing the Upload Trailing Document feature. An instruction guide can be found at:

MPS Instruction Guide for Upload Trailing Document

2. Upload as an Attachment in a myUFL Voucher

In myUFL, navigate to the voucher: Accounts Payable >Vouchers >Add/Update >Regular Entry. Click the “Find an Existing Value” tab and enter the voucher number. Click on the “Invoice Information” tab then click on the “Attachment” link.

The following window will open. Click on “Add Attachment”

Voucher Header Attachment

Business Unit UFLOR Voucher ID 03546666

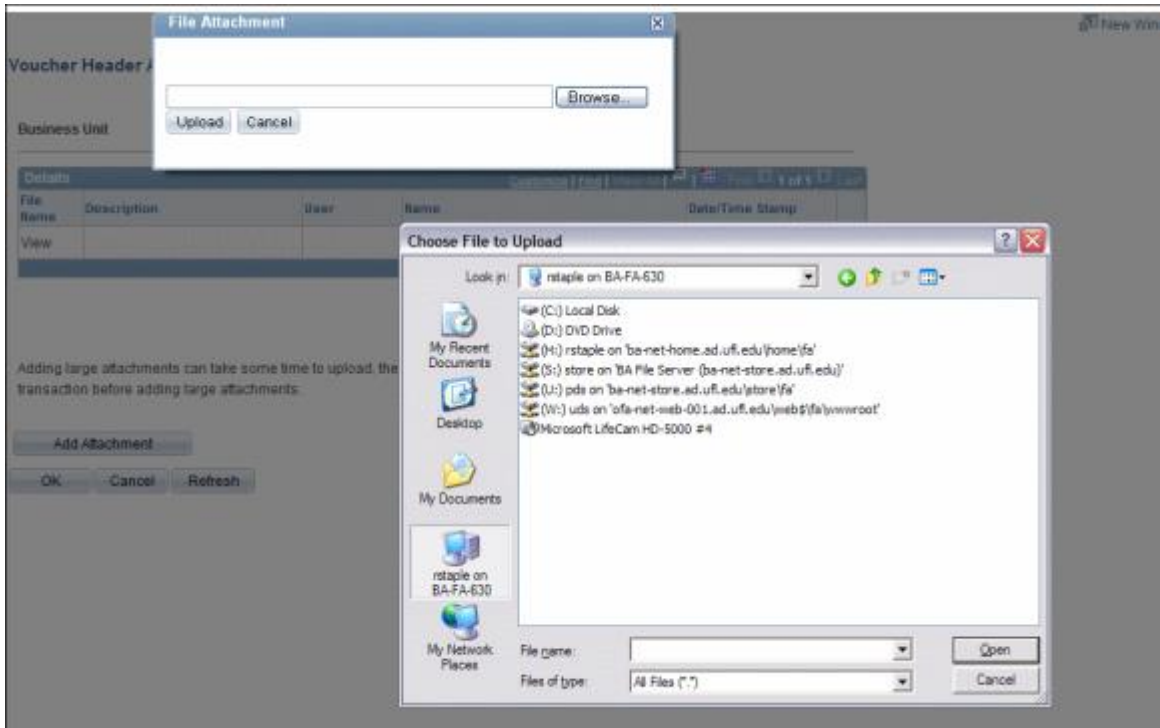
File Name	Description	User	Name	Date/Time Stamp
View				

Adding large attachments can take some time to upload, therefore, it is advisable to save the transaction before adding large attachments.

Add Attachment

OK Cancel Refresh

Browse to find the file needed to attach.

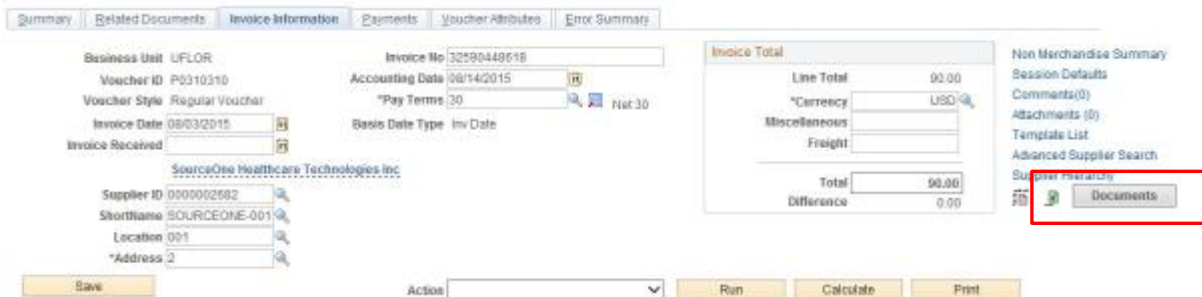


After clicking the “OK” button, remember to Save the voucher when you return to the original page.

B. Viewing Supporting Documentation

1. myUFL - Navigate to Accounts Payable >Add/Update >Regular Entry >Find an Existing Voucher.

Enter the voucher ID number. On the invoice information tab, click on the “Documents” button. For vouchers created via MPS (voucher number begins with a “P”), the image will return from the MPS system and be available for viewing in myUFL. For voucher created in PS (voucher number begins with a “0”), the image that was faxed into the voucher in the past will be displayed.



If images were added to myUFL via the attachment feature, click the “Attachments” link on the invoice information tab in the voucher.

New Wind

Summary Related Documents **Invoice Information** Payments Voucher Attributes Error Summary

Business Unit: UFLOR Invoice No: 2013_04_04_00000000000383 Action:

Voucher ID: 04042396 Invoice Date: 04/01/2013

Voucher Style: Regular Voucher Accounting Date: 04/04/2013

Vendor ID: 0000002301 MENA America (Delaware) NA
 ShortName: WDFIA-501 dba FIA Card Services
 Location: T Acct number 4715697000001140
 *Address: T 507 Pleasanton Rd Ste 101
 San Antonio, TX 78214

Advanced Vendor Search

Invoice Lines: 390.44 *Pay Terms: ZERO Net Zero
 *Currency: USD Basis Date Type: Inv Date

Miscellaneous:
 Freight:
 Total: 390.44

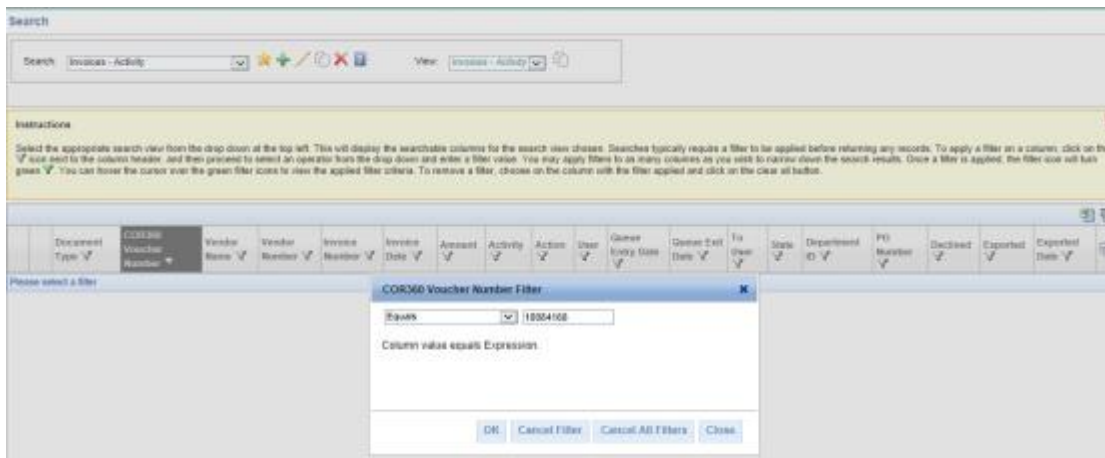
[Non Merchandise Summary](#)

Session Defaults
[Attachments \(1\)](#)
[Summary](#)

No Voucher Images.

2. MPS - Images can be viewed in myUF Payment Solutions as follows:

Navigate to Search>Choose "Invoices – Activity" in drop down. Click on COR 360 Voucher Number and filter by "Equals" and the COR360 voucher number.



Search

Search: Invoices - Activity View: Invoices - Activity

Instructions

Select the appropriate search view from the drop down at the top left. This will display the searchable columns for the search view chosen. Searches typically require a filter to be applied before returning any records. To apply a filter on a column, click on the filter icon next to the column header, and then proceed to select an operator from the drop down and enter a filter value. You may apply filters to as many columns as you wish to narrow down the search results. Once a filter is applied, the filter icon will turn green. You can hover the cursor over the green filter icons to view the applied filter criteria. To remove a filter, choose on the column with the filter applied and click on the clear all button.

Document Type	COR008 Voucher Number	Vendor Name	Vendor Number	Invoice Number	Invoice Date	Amount	Activity	Action	User	Queue Entry Date	Queue Exit Date	To User	State	Department ID	PO Number	Declined	Exported	Exported Date
Invoice	10684166	Samantha Robinson	0000204882	072214	7/22/2014	125.08	Approval	Work Item Unassigned		7/24/2014	7/24/2014	Sanchez, Eymely		87038100		N	Y	7/24/2014
Invoice	10684168	Samantha Robinson	0000204882	072214	7/22/2014	125.08	Approval	Approved	Sanchez, Eymely	7/24/2014	7/24/2014			87038100		N	Y	7/24/2014

Viewing records 1 - 2 15 records per page Show total record count

Click on "View Document" icon

Search

Search: Invoices - Activity View: Invoices - Activity

Instructions

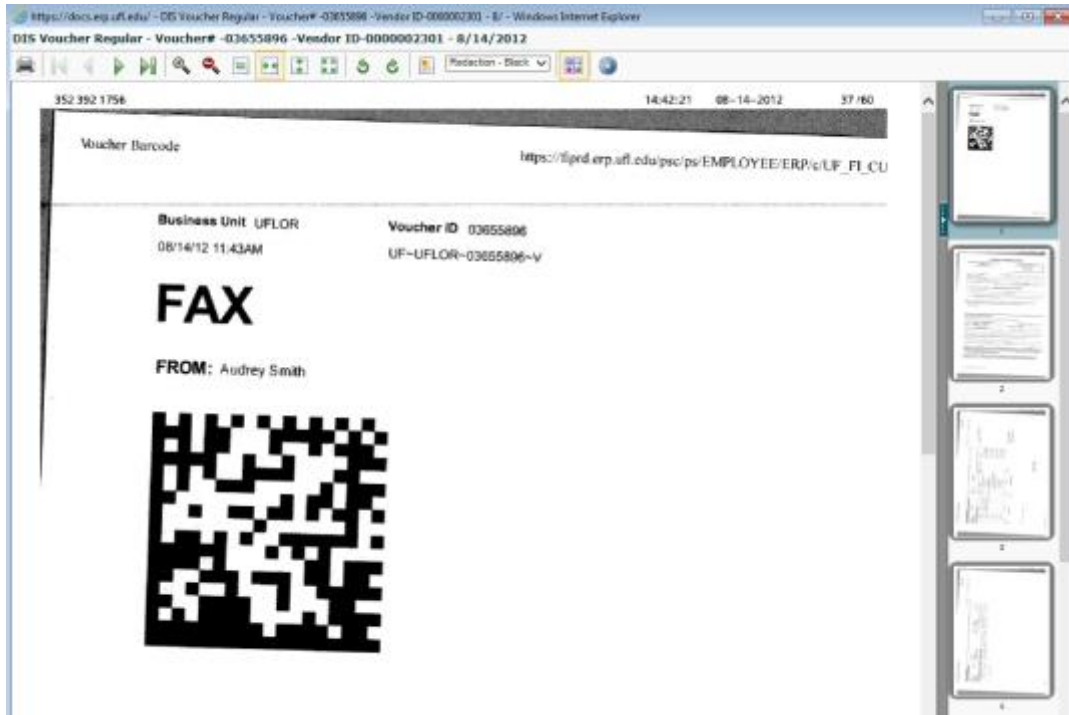
Select the appropriate search view from the drop down at the top left. This will display the searchable columns for the search view chosen. Searches typically require a filter to be applied before returning any records. To apply a filter on a column, click on the filter icon next to the column header, and then proceed to select an operator from the drop down and enter a filter value. You may apply filters to as many columns as you wish to narrow down the search results. Once a filter is applied, the filter icon will turn green. You can hover the cursor over the green filter icons to view the applied filter criteria. To remove a filter, choose on the column with the filter applied and click on the clear all button.

Document Type	COR008 Voucher Number	Vendor Name	Vendor Number	Invoice Number	Invoice Date	Amount	Activity	Action	User	Queue Entry Date	Queue Exit Date	To User	State	Department ID	PO Number	Declined	Exported	Exported Date
Invoice	10684166	Samantha Robinson	0000204882	072214	7/22/2014	125.08	Approval	Work Item Unassigned		7/24/2014	7/24/2014	Sanchez, Eymely		87038100		N	Y	7/24/2014
Invoice	10684168	Samantha Robinson	0000204882	072214	7/22/2014	125.08	Approval	Approved	Sanchez, Eymely	7/24/2014	7/24/2014			87038100		N	Y	7/24/2014

Viewing records 1 - 2 15 records per page Show total record count

3. UF Document Imaging

Images that were submitted via fax imaging can also be viewed by navigating to Main Menu > UF Document Imaging -> Voucher/PO Change Order Imaging. Input voucher number and click on "Get Documents". The OnBase viewer software will open displaying the image.



C. Security

Imaging Department personnel will need the myUFL role of UF_N_VOUCHER_IMAGING_VIEW to have authority to view vouchers in this manner. To acquire this role, contact your Department Security Administrator.

Or, by clicking on the “Documents” button on the voucher in the myUFL Accounts Payable module. Department personnel will need the myUFL role of UF_AP_APPROVER or UF_AP_REVIEWER.

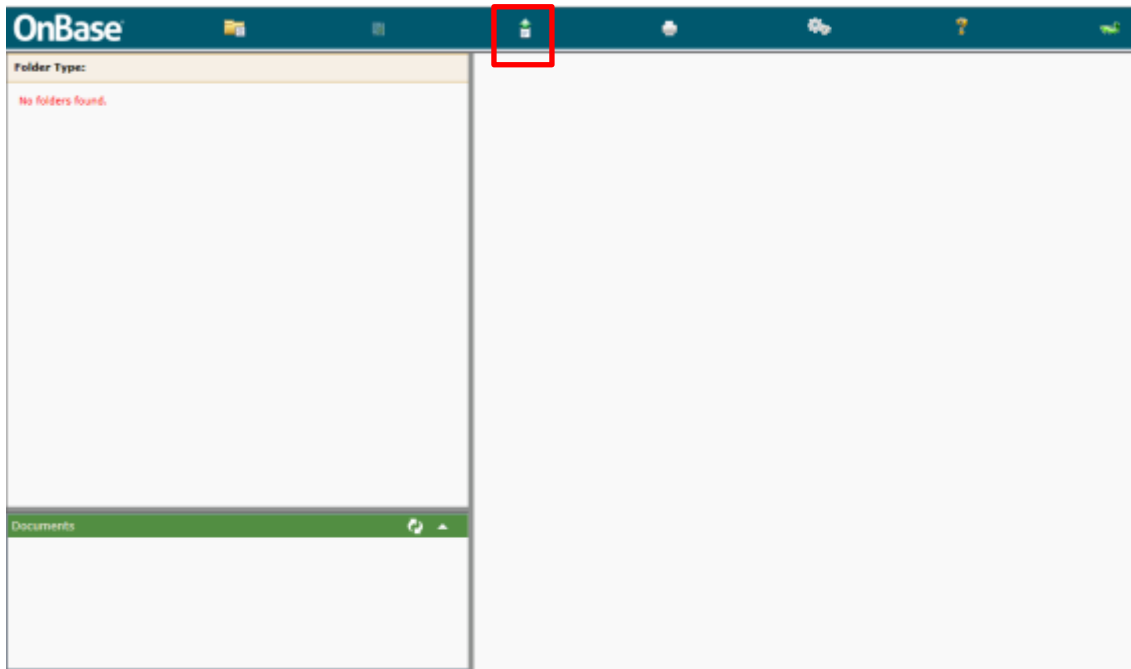
If you need personnel to be able to view images but not input vouchers, department personnel will need the myUFL roles of UF_N_VOUCHER_IMAGING_VIEW and UF_FI_UNIVERSAL_INQUIRY to have authority to only view vouchers and invoices in this manner. To acquire these roles, contact your Department Security Administrator. For departmental personnel that will not be entering vouchers and only viewing vouchers, an email should be sent to disbursements@ufl.edu with the UFID of the employee you are requesting security for and ask that the user’s preferences be set to allow for viewing images.

D. PCard

PCard vouchers are still created from approved PCard charges to repay the bank but images are no longer stored via the accounts payable module. Supporting documentation for PCard transactions are now uploaded to the PCard module during the approval process. For information regarding PCard, please contact pcard@ufl.edu. [Instruction Guide - Attaching Images to PCard Transactions](#)

E. Travel Expense Reports - Submission of Supporting Documentation

All documentation used to support the entry of a travel expense report into the myUFL system must be sent for to the UF Travel Office for audit. Documentation should be attached via the PeopleSoft attachment link or click on the “Documents” button after submitting for approval. This will open OnBase and upload the supporting documentation by clicking on the Upload icon at the top.



RESEARCH AND REPORTING

A. Vouchers in myUFL - Vouchers in the myUFL system can be viewed by navigating to Main Menu > Accounts Payable > Vouchers > Add/Update > Regular Entry > Find an Existing Value.

The instructional guide will illustrate the best methods to utilize in searching for vouchers.

B. Vouchers applied toward encumbrances - Vouchers applied against a purchase order in myUFL can be reviewed in the following locations:

1. Purchasing - To view encumbrances and vouchers applied against an encumbrance in the Purchasing module, navigate to Main Menu > Purchasing > Purchase Orders > Review PO Information. Change the business unit from UFLOR to a departmental business unit. This will list all PO's for a specific department. Once into a specific PO, the current balance of PO line items will be displayed and all invoices that have been applied against it.
2. Accounts Payable - To view encumbrances and vouchers applied against an encumbrance in the Accounts Payable module, navigate to Main Menu > Accounts Payable > Review Accounts Payable Info > Interfaces > Purchase Order. Change the business unit from UFLOR to a departmental

business unit. This will list all PO's for a specific department. Once into a specific PO, a listing of all vouchers and their current status applied against the PO will be displayed.

C. Reports - Reports are available to list all vouchers input by a department. Voucher lookup – A query has been designed to run a voucher register by department and a date range. Navigate to Main Menu > PeopleSoft > Financials PeopleTools (a new window will open) Reporting Tools > Query > Query Viewer. Search for UF_VOUCHER_LOOKUP. Click on “Run to Excel” and the query will prompt for a department ID and a date range.

D. Viewing payments and status - Payments made to a vendor can be found by navigating to Main Menu > Accounts Payable > Review Accounts Payable Info > Payments > Payment. A search page will allow you to search for a specific payment by payment number, vendor or amount. If the above information is not known, payments can be reviewed by searching a specific voucher number. Navigate to Main Menu > Accounts Payable > Review Accounts Payable Info > Vouchers > Voucher. The instructional guide will illustrate the functionality payment inquiry.

E. The instruction guide below will aid in the search of a transaction within the PS system.

myUFL Toolkit for Using Search to Research an Invoice

3.4 ASSET MANAGEMENT

1. Introduction and Contact Information
2. Definitions
3. Capitalization Thresholds
4. Acquisitions
5. Receiving Purchased Equipment
6. Placing Decals
7. Safeguarding and Care
8. Relocating
9. Transferring Ownership
10. Inventory Procedure
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14. Real Property – Capitalization Thresholds
15. Real Property – Acquisitions
16. Attractive and Sensitive Property
17. Reducing, Re-Using and/or Recycling University of Florida Electronic Equipment

1. Introduction and Contact Information

- A. The purpose of these University of Florida Asset Management directives and procedures is to provide direction for University employees who are responsible for

marking, recording, and/or safeguarding University owned and Government owned capital assets.

- B. These directives and procedures are promulgated through the following sources:
 1. Chapter 9 of Board of Governors, “Property and Finance”
 2. Chapter 273 of Florida Statutes, “State-Owned Tangible Personal Property”
 3. Part 215 – Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations (OMB Circular A-110)
 4. FAR Part 45 – Government Property
 5. Chapter 1013 of Florida Statutes, “Educational Facilities – Part III, Planning and Construction of Educational Facilities”
 6. GASB, Basic Financial Statements – and Management’s discussion and analysis – for State and Local Governments
 7. Chapter 69I-72, Department of Financial Services Division of Auditing

- C. These directives and procedures are intended for university-wide use. However, if a department elects to institute a more restrictive practice for purposes of budgetary control, the Controller’s Office will entertain a request of this nature. All university employees are expected to comply with these directives and procedures.

- D. University Asset Management is located in Elmore Hall (PO Box 115300, 116 Elmore Hall) and can be reached at the following numbers:

Office	Phone	Fax
Asset Management Main Office Personnel	392-2556	392-4687
Inventory Personnel	392-3352	392-4687
Surplus Property Warehouse	392-0370	392-5921
Grants Specialist for Asset Management	392-2556 X 344	392-4687
Construction Accounting	392-8251	392-4687

2. Definitions

- A. **Account** – The account is a six digit number assigned to a particular class of assets and is used when purchasing capitalizable equipment. When using these accounts, the expenditures must meet the capitalization threshold set by the University of Florida. The following accounts are used when purchasing capital assets:

781000 Land

781100 Equipment General

782400 Computer Software

783200 Modular Buildings

784000 Vehicles and Transportation

785000 Library Resources

786000 Property Under Capital Lease (Used
by AM staff only)

787000 Construction Work in Progress
(Used by CA staff only)

789100 Artwork and Museum Artifacts

789400 Livestock

- B. When assets are purchased, the department is responsible for recording the receipt of the asset in myPayment Solutions to document the item's receipt for payment. Any voucher created without receiving documentation will be returned to the department. Once the voucher is approved, Asset Management records the asset in myUFL. Journal entries are generated from myUFL to capitalize the item.
- C. When an asset is capitalized, the asset costs are converted to an asset account:

181000 Land

182000 Building

183000 Furniture & Equipment

184000 Infrastructure

186100 Artwork Depreciable

186200 Artwork Non-Depreciable

186300 Software

186400 Livestock

187000 Library Resources Depreciable

187100 Library Resources Non-Depreciable

188000 Property Under Capital Lease

189000 Leasehold Improvements

- D. **Asset Identification (Asset ID Number)** – The asset identification number is a unique number which is automatically assigned to each asset by the Asset Management (AM) Subsystem in MyUFL.
- E. **Attractive/Sensitive Property Items** – Attractive/sensitive property is tangible personal property less than \$5,000 that can be characterized as “walk away” items. These items are prone to theft because they are either not secured, are easily portable, contain new technology and/or they are adaptable for personal use.
- F. **Cannibalizing Equipment** – Cannibalizing equipment is done when the department takes apart a piece of equipment to use the parts to repair other equipment. Note: Cannibalizing equipment must not be done without prior authorization from Asset Management.
- G. **Capital Assets** – Capital assets includes Land, Buildings and Fixed Equipment, Infrastructure, Moveable Furniture and Equipment, Library Resources (Depreciable and Non-Depreciable), Software, Artwork (Depreciable and Non-Depreciable) and Livestock.
- H. **Capitalization Threshold** – The capitalization threshold defines the criteria(s) for capitalizing University of Florida assets.
- I. **Asset Category** – Each capitalized Asset Account is also a unique Category for classifying assets and can also be identified by the following category codes: LAND, BUILD, F&E, INFRA, ARTD, ARTND, SOFT, LIVES, LEASE, LEHDI, LIBND, LIBR.
- J. **Custodian** – The University President has final responsibility for all capital assets that are in possession of the University. Based on specific departments, this responsibility is delegated to the Vice Presidents, Deans, Directors or Chairpersons or a Designee. The person to whom this responsibility is assigned becomes the “Custodian” of the assets. All Custodians must be a full-time EXEMPT employee with direct knowledge of the operations of the department.

- K. **Department** – Department includes all Research Centers, Academic and Non-Academic Departments and Auxiliaries.
- L. **Fabricated Equipment** – Fabricated equipment includes equipment that is constructed by individuals or departments by assembling parts or basic materials purchased. The total value of all combined parts must meet the capitalization threshold for the category of equipment in which it is related.
- M. **Fixed Capital Outlay (FOCO)** – Includes real property (i.e. land and buildings including attachments, fixtures and fixed equipment and structures) including additions, replacements, major repairs and renovations to real property which materially extends its useful life or materially improves or changes its functional use. Includes operating outlay necessary to furnish and operate new or improved facility.
- N. **Government Owned/Furnished Equipment** – For the purpose of these directives and procedures, government owned/furnished equipment refers to federally owned equipment, which has been made available to the University for use on a particular contract or grant, title to which has remained with the federal government.
- O. **Profile** – The Asset Profile is a 4 digit code used to identify an asset’s useful life (Number of years an asset can be depreciated).

A003	Artwork	15 years
X003	Artwork	not depreciable
A005	Artwork	50 years
F001	Books > \$250-Noncirc	20 years
F003	Furniture	15 years
F016	Motor Vehicles	15 years
F025	Aircraft/Helicopter	15 years
F030	Motorcycles	5 years
F032	Golf Carts Scooters	3 years

F043	Motor Vehicle Equipment	15 years
F052	Marine Engine	10 years
F064	Boat/Airboat/Canoe/Raft	15 years
F084	Boat/Utility/Eq Trailer	15 years
F103	Communication Eq/Radio	15 years
F115	Office Eq/Copier/Fax	15 years
F135	Computer Equipment	7 years
F164	Photo/Video/Sound/TV	10 years
F183	Engineering Equipment	15 years
F193	Agricultural Equipment	15 years
F203	Laboratory Equipment	15 years
F222	Recreational/Athletic	15 years
F233	Musical Instruments	15 years
F242	Radiation Control Eq	15 years
F252	Scientific Equipment	10 years
F253	Scientific Equipment	15 years
F255	Scientific Equipment	7 years
F260	Aircond/Cooling Eq	15 years

F286	Medical/Dental Equipment	15 years
F272	Plumbing/Sewage/Plant	15 years
F284	Medical/Dental Equipment	10 years
F300	Modular Buildings	15 years
F303	Food Service Equipment	15 years
F314	Household Equipment	15 years
F320	Drapes	20 years
F333	Maintenance/Repair/Eq	15 years
F342	Weapons/Body Armor	15 years
F373	Printing/Mail/Processing	15 years
F411	Materials/Handling Eq	15 years
F430	Radio/TV Station Eq	15 years
L002	Library Resources	10 years
L003	Library Resources	not depreciable
O010	Livestock	5 years
O061	Software	5 years

- P. **Report of Survey** – The Report of Survey (ROS) is a form that is completed by the Department Contact and the Property Custodian to facilitate the process of removing a capital asset or attractive item from inventory. Each ROS is created in the myAssets system – typically by the Department Custodian. Each ROS lists the survey type (cannibalization, recycled, decal correction, etc.), asset information, and the Department Contact and

Property Custodian's contact information. Upon receiving required departmental approval from the Property Custodian, each ROS is signed off on by a witness from the department (typically the Department Custodian) and a representative of the University's Survey Board. After all required approvals, the item is removed from inventory.

- Q. **Subcontractor Acquired Property** – Property provided by the University or purchased from University provided funds for the performance of a contract or grant. Title to property will vest with the University or the original federal sponsoring agency.
- R. **Tag (Property or Decal) Number**– The tag number is a number assigned to an item by Asset Management or by the Asset Management Subsystem in MyUFL. This number is printed on a paper decal that is placed on moveable equipment. Once the decal has been placed, it is not to be removed by departments. Note: For assets purchased after July 1st 2004, the asset ID and the tag number will default to the same number. Asset Management will change the tag number when the asset is owned by a governmental agency or another granting agency, where the asset is software, books, buildings or infrastructure, or when a data correction is needed to a property's master record.
- S. **Title (Ownership) of Property** – The University of Florida owns all property acquired with funds administered by or under the control of the University. Title to assets purchased with federal funds may reside with the granting agency during the life of the contract or grant. Once a contract or grant has expired and if the granting agency no longer has a need for the property, title will revert to the University. Assets meeting the capitalization threshold will be decalated regardless of funding source.
- T. **United States Munitions List (USML)** – The USML is a list of items designated as defense related by the United States federal government. Items on this list are often referred to as ITAR (International Traffic in Arms Regulation) controlled. Any equipment item on this list must be identified as ITAR controlled in UF's property records or a Departmental list of Attractive items. In order to comply with export controls all access to an item on the USML list must be limited. As soon as an item is identified as being ITAR controlled, Division of Research Compliance (DRC) will be contacted. DRC will assist the department in developing a technology control Plan (TCP) that addresses both information and physical security measures.
- U. **600 Series** – The 600 series is a list of items maintained by the Department of Commerce. The 600 series items are also known as the Commerce Munitions List. These items have a military application but are considered less sensitive than items on the United States Munitions List. Any equipment item on this list must be identified as a 600 Series item in UF's property records or a Departmental list of Attractive items. As soon as an item is identified as being a 600 series item, the Division of Research Compliance (DRC) will be contacted. DRC will assist the department in developing any needed security measures.

3. Capitalization Thresholds

- A. Furniture & Equipment – Includes moveable equipment of a non-consumable nature, where the value or cost (less discounts) of the asset including freight, installation and other cost incurred to acquire the asset is \$5,000 or more and the normal expected life of which is one year or more. Note: Repairs and maintenance expenses, service contracts, and extended warranties are not additions to the capital assets.
- B. Artwork – Depreciable – Includes all artwork purchased by a department (not including the Harn Museum or the University Gallery) where the value or cost of which is \$5,000 or more and the normal expected life of which is one year or more.
- C. Artwork – Non-Depreciable – Includes all artwork purchased by the Harn Museum or the University Gallery ONLY where the value or cost of which is \$5,000 or more and the normal expected life of which is one year or more. Note: All donated artwork is donated through the UF Foundation and reported on the Foundation’s financial statements.
- D. Software – Computer Software is treated as an intangible asset. Software includes software licenses that have a unit cost of \$4,000,000 or more, the life is one year or more and does not have a time-limited license for current or future use (i.e. does not require payment or return each year).
- E. Livestock – Includes animals with a value or cost of \$5,000 or more and the normal expected life is one year or more.
- F. Library Resources – Includes Library resources with a value or cost of \$250 or more and having a useful life of one year or more.

4. Acquisitions

- A. The following are procedures for acquiring equipment: Note: The Surplus Warehouse at the University of Florida contains equipment that is available to other departments for use. The departments are encouraged to first review the Surplus Warehouse website before acquiring new equipment.
- B. Purchasing New Equipment through a Purchase Requisitions – The following are procedures for purchasing equipment through a purchase requisition:
 - 1. When purchasing equipment, the purchase must meet the capitalization threshold (\$5,000.00) for the type of equipment being purchased.
 - 2. The “Requisition to Purchase” must reference the applicable department ID, fund, program and category.

3. When purchasing tangible equipment, the department is encourage (whenever economically feasible) to purchase environmentally preferred products. (University of Florida Environmental Purchasing Policy)
4. Upon completion of Requisition to Purchase, receipt and vouchering, the department will complete a Property Update Document in myAssets for any additional information to be added to the property record

Note: Tangible equipment (other than books) should not be purchased using a P-Card or paid un-encumbered.

Instructions on requisitioning to purchase assets can be located on the Asset Management Toolkit.

C. Trading In Old Equipment for New Equipment – The following are procedures for trading-in old equipment for new assets:

1. The department must complete the purchase requisition as instructed above.
2. The department must indicate the old tag number of the asset that is being traded-in on the comments field on the MyUFL (See instructions above).
3. The department must initiate a Report of Survey request in myAssets for the old piece of equipment.
4. The department must mail the completed Report of Survey to Asset Management (PO Box 115300, 116 Elmore Hall), email property@admin.ufl.edu, or upload to the myAssets system .
5. All University decals must be removed from the asset before the item is traded-in and taped to the Report of Survey PDF generated from myAssets. (If the decal is not attached to the Report of Survey, the department must include a statement on the survey explaining why the decal was not attached.)
6. If the item contains sensitive information, it must be removed from all devices before the item is traded-in.

Note: The University of Florida does not permit the trade-in of UF owned assets for expendable materials, operating leased equipment or equipment being purchased by Direct Support Organizations where ownership of the new asset does not reside with the University of Florida.

D. Receiving Donated Equipment – The following are procedures for receiving donations of equipment from other universities, the Federal Government, other State agencies and private industries:

1. The department will receive the asset(s) in myAssets – see instructions.

2. The department must obtain supporting documentation which clearly confirms that ownership has been transferred to the University of Florida.
 3. Asset Management staff will add the asset to the AM subsystem indicating the acquisition type as “donation”.
 4. The value of the donated equipment added to the financial statements will be the fair market value of the asset at the time the University of Florida acquires the asset.
- E. Fabricating Equipment – The following are procedures for recording fabricating equipment:
1. The department must choose a proper asset category when creating the requisition to purchase.
 2. The department must indicate in the comments field on the requisition that the costs will be added together to make one asset.
 3. The department will receive the asset(s) in myAssets – see instructions.
- F. Receiving Government Furnished Equipment – The following are procedures for transferring government owned equipment to the University of Florida:
1. Title to all equipment furnished by the government for use on a project will remain with the government. It is the responsibility of the Principal Investigator to send a copy of the shipping documents, transfer order and/or correspondence pertaining to the receipt of the equipment to Asset Management (PO Box 115300, 116 Elmore Hall).
 2. Such property, when acquired by NASA grants, will be maintained in accordance with NASA Grant Handbook.
 3. Equipment furnished by the government are subject to all reporting requirements of the particular contract or grant until the project is terminated at which time specific disposition instructions will be requested by Asset Management.
- G. Purchasing Equipment from Contract or Grant Funds -The following are procedures for Purchasing Equipment from contract and grant Funds:
1. The specific provisions of each contract or grant may vary regarding the acquisition of equipment. In many cases, prior approval must be received. Before assets are charged to a contract or grant, departments must review the terms and conditions of the agreement to identify limitations for purchasing equipment. If the department is unsure of limitations set forth by the granting agencies, they can contact Asset Management’s Senior Grants Specialist at 352-392-2556 x 344.

Known Agency Specific Limitation:

- a. For the Department of Defense (DOD) contracts, the purchase of equipment in the project budget costing less than \$5,000 does not need further approval, but prior approval of the Contracting Officer is required if the item is not listed.
 - b. NASA Grants – Acquisition of property costing in excess of \$5,000 and not included in the approved budget requires the prior approval of the Administrative Grants Officer unless the item is merely a different model of an item shown in the approved budget. The government reserves the right to require transfer to the government or third party (named by the government) of the title of items purchased at a cost in excess of \$5,000 within 120 days after receipt of a final inventory.
2. General types of equipment, such as typewriters, air conditioners, office furniture, and calculators are not permitted to be purchased unless specifically approved in writing by the Contracting Officer.
 3. All purchase requisitions (partially or fully funded) must include the project number assigned to the contract and grant on the chartfield string.
- H. Receiving Equipment from Federal Surplus Property in Starke, Florida – The following are procedures for receiving equipment from Federal Surplus Property:
1. The department must contact Asset Management to obtain prior authorization.
 2. Asset Management will authorize the department to pick up Federal Surplus Property.
 3. When the equipment is received, it is the responsibility of the department to certify receipt of the property items and to authorize payment (when necessary).
 4. The department must mail a copy of the certification of receipt or invoice to Asset Management (PO Box 115300, 116 Elmore Hall), or email to property@admin.ufl.edu.
 5. Asset Management will add equipment to the Asset Management Subsystem.
- I. Leasing Equipment – The following are procedures for capitalizing leased equipment that are deemed “capital leases”:
1. One of the following criteria must be met:
 - a. The title of the equipment is transferred to the University.
 - b. There is a bargain purchase price for the equipment at a future date.

- c. The term life is greater or equal to 75% of the life of the equipment.
 - d. The present value of payments is greater than or equal to 90% of the fair market value of the equipment.
2. Asset Management will add the asset to the AM Subsystem.
 3. Asset Management will instruct the department on how to properly account for capital leased equipment.

5. Receiving Purchased Equipment

- A. The following are procedures for receiving purchased equipment:
 1. Any assigned employee for each department will be responsible for receiving and unpacking equipment. When removing the packing slip and confirming the contents of package, this employee will indicate the following on the packing slip: Serial Number, Custodian, Location, Primary User, and Manufacturer
 2. The department will input the receiving information noted above into MyUF Payment Solutions. Instructions are located on the Approving an Invoice for an Asset instruction guide.

6. Placing Decals

- A. The following are procedures for placing decals on capital equipment:
 1. Each item of property is marked with a decal which contains the asset tag number to establish ownership (i.e. University, Government or Agency owned) of the asset.
 2. Each property item shall be permanently marked with a decal containing the identification number assigned to that item to establish UF ownership. Any item of property whose value or utility would be **significantly** impaired by the attachment or inscription of the decal is exempt from the requirement for physical marking. However, the custodian's property records shall contain sufficient descriptive data to permit positive identification of such items. Items with the same class code shall be marked in a similar manner to facilitate identification. In determining a marking location, careful consideration shall be given to the intended use of the items; the probability that the marking could be obliterated by wear, vandalism or routine maintenance functions; and, the appropriateness of the marking method chosen. Additionally, the location of the decal and the marking method chosen shall not mar the appearance of the item. When utilizing an electronic scanning format system,

decals shall be placed on property in the same manner as other markings specified in this section.

3. In the event that the nature of the equipment does not allow for the proper placement of decals (i.e. the equipment is in an inaccessible location, the equipment is too small to have a decal placed on it or the value of the equipment would be impaired if decal was placed on it), a decal book will be maintained containing the decal. The book must also include any supporting documentation that will assist in locating the equipment.
4. Once a decal has been placed on the equipment, it must not be removed without notifying Asset Management.
5. If the department knows that the equipment will be used off campus, (i.e. in an employee's place of residence or in a remote location) the department must apply the decal on the equipment and complete an Off-Campus Property Certification in myAssets before the equipment is removed from campus.

7. Safeguarding and Care

- A. The following are procedures for safeguarding and caring for equipment:
 1. It is the Custodian's responsibility to ensure that the University's assets assigned to them are adequately protected against loss, damage or theft. This includes:
 - a. Locking equipment (including attractive items) in secured locations.
 - b. Perform adequate maintenance and upkeep of equipment.
 - c. Training staff on procedures for properly handling equipment (i.e. moving, transferring and cannibalizing equipment).
 - d. Locking doors when rooms are not in use.
 - e. Not letting equipment sit idle for extended periods of time.
 - f. Storing equipment in environmentally suitable locations to prevent corrosion, contamination and damage of sensitive parts.
- B. Repair or Rehabilitation of Government Owned Equipment.
 1. When the necessity arises for major repair or rehabilitation of government owned/furnished property, it must first be approved by the Federal Property Administrator before such repair or rehabilitation may be performed.
- C. Subcontractor Controlled Equipment.

1. Government property in possession of subcontractors should be maintained in accordance with the requirements stated in the University Directives and Procedures concerning the basic requirements of the acquisition, safeguarding and care, disposition, relocating and reporting of Government property.

8. Relocating

- A. The following are procedures for relocating equipment:
 1. The department is responsible for entering the new location information for moved equipment in myAssets.
 2. If a department is relocating an asset to an off-site location, the department must complete an Off-Campus Certification Form in myAssets before the equipment is removed from campus.
 3. Any asset that will be transported outside the United States must receive authorization prior to travel. To request authorization, submit an asset Request Approval for Foreign Travel through myAssets. When traveling with computers no restricted data or research can travel international without prior approval from DSR.
 4. Before moving equipment that contains hazardous materials, Environmental Health and Safety must be consulted.
 5. When moving equipment, the department must take adequate care to prevent damage of the equipment by properly packing and covering of equipment.
 6. The department must take safety precautions when moving equipment to prevent physical damage to the building or to the employee's moving the equipment.
 7. Asset Management will update the new location in the AM subsystem in MyUFL based on the above information. These procedures only apply when relocating equipment within the same department.

9. Transferring Ownership

- A. The following are procedures for transferring ownership of assets between departments:
 1. The "transferring" department will submit a Report of Transfer request in myAssets. Electronic approvals will be received from both the transferring and receiving department Custodians.

2. If an asset was purchased from a Contract or Grant, Asset Management will verify the appropriateness of the transfer. (The terms and conditions of the granting agency may prevent the equipment to be used for activities other than the original project's objective.)
3. Asset Management transfers ownership of the equipment to the "receiving" department.

10. Inventory Procedure

- A. The following are procedures for completing equipment inventory:
 1. The inventory is performed annually starting July 1st and ending March 31st.
 2. Laser scanning equipment is used to scan the bar codes that are printed on the decals. This is the primary form of inventorying equipment and artwork.
 3. Off-Campus Certification – Off-Campus Certifications are used for equipment that is located in remote locations or in employee homes.
 4. Software and Book Certification – Software and Book Certification is performed on-line through myAssets. The department must indicate whether the item is still in use or not. If the item is still in use, the inventory date is updated by Asset Management. If the item is not in use, the item will be retired in the myUFL system.
 5. Livestock inventory is performed by counting the livestock in each category and providing the total sheets to asset management.
 6. Library Resources will use the on-line public access catalog as inventory.

The department is responsible in locating missing equipment that was not been found during the first inventory pass.

11. Reporting Requirements

- A. Asset Management will provide the dollar amount of government owned facilities as well as the quantity of industrial plant equipment (IPE) accountable under each contract. Reports will be provided for all DOD Property on the Tangible Personal Property Report SF-428.
- B. Annual inventory reports will be provided to NASA for all property where title vest in the government. Reports must be prepared on NASA Form 1018, Report of Government-

Owned/Contractor Held Property and furnished to the contracting officer no later than October 15th of each year.

- C. Reports will be provided to DOE on SF428, Tangible Personal Property Report.

12. Dispositions

- A. In accordance with Section 273.05, Florida Statutes, the University has appointed a “Property Management Committee” to review all dispositions information for UF owned equipment. It is the committee’s role to recommend the final disposition of equipment.
- B. The terms and conditions of the contract or grant may stipulate how and when an asset is allowed to be disposed. Therefore, all equipment accountable to a contract or grant must be approved by Asset Management before an asset can be disposed.
- C. When government-owned property becomes excess to the contract for which it was provided, it must be screened against the needs of other contracts before it can be declared excess. If such need is disclosed, a request should be made to Asset Management for authority to use or to transfer. Asset Management will contact the Plant Clearance officer for instructions. Additionally, if the department wishes to cannibalize government equipment, a request to cannibalize must be made to Asset Management for approval. The request will be forwarded by Asset Management to the Contracting Officer for the project.
- D. When a piece of equipment has been deemed surplus (no longer needed, damaged, worn out or obsolete), the department will complete a Surplus Property Pick-up Request form. Within 14 business days of receiving the Surplus Property Pick-up Request, Surplus Property staff will pick up the equipment and store it in the Surplus Property Warehouse. This piece of equipment will be advertised on the Surplus Warehouse Website for 14 days to allow other departments the option of acquiring the equipment before it is sold at auction, recycled or scrapped (except for furniture which is held 7 days). If the item has not been claimed by another department, the equipment is available for auction (see Procedures for Reducing, Re-Using and/or Recycling University of Florida Electronic Equipment). The proceeds from the sale of equipment is used to cover the operating expenses of the Surplus Warehouse with the exception of Government owned equipment where the money received will be returned to the agency (FAR 45.604-3, Proceeds from the Sale of Surplus Property). If the equipment is not working, the equipment will either be scrapped or recycled.
- E. If the department decides to cannibalize equipment, the department must first complete the Report of Survey and send it to Asset Management for approval. The department must attach the equipment decal to the Report of Survey. By submitting this survey form, the department is certifying that the asset will be dismantled and no longer used and that this form is not being submitted to meet inventory requirements.

- F. If a piece of equipment is traded-in for new equipment, the department will submit a Report of Survey request through myAssets for the asset being traded in. Once approved by the department's custodian, the PDF Report of Survey will be faxed to Asset Management along with the documentation to support the trade in. The department must attach the equipment decal to the Report of Survey form.
- G. If a piece of equipment has been damaged by fire, hurricane etc, a Report of Survey request must be submitted through myAssets. Once approved by the department's custodian, the PDF Report of Survey will be faxed to Asset Management along with any supporting documentation. The department must attach the equipment decal to the Report of Survey form, whenever possible.
- H. UF owned equipment purchased from Contracts & Grant funds and still residing on a Contract & Grant account can only be donated to a not-for-profit entity. If a department wishes to donate equipment, they must initiate a request through myAssets. Signatures must be obtained from the College Dean, DSR and the Property Custodian. *Verification of acceptance of the equipment by signature or email is also required from the receiving institution.* Once approved by all parties, the completed Report of Survey must be faxed or e-mailed to Asset Management for final approval (352) 392-4687 or property@admin.ufl.edu.
- I. The Federal Surplus equipment dispositions are processed the same as above with the exception of equipment costing \$5,000 or more or where the equipment is a motor vehicle. These items CANNOT be transferred, cannibalized, or utilized for a secondary purpose for a period of 18 months after placed in service without written permission from the Florida Surplus Property Division. If the department wishes to dispose or transfer Federal surplus equipment, they must notify Asset Management's Sr. Grants Specialist at 352-392-2556 x 344.
- J. When equipment has been deemed lost or stolen, the department must initiate a request through myAssets. Once the request has been created, myAssets will e-mail the initiate a PDF Report of Survey form. This form must be signed by the Department Chairperson or Director and faxed or e-mailed to Asset Management at (352) 392-4687 or property@admin.ufl.edu. When theft is discovered, the University Police Department (or local authority) must be notified by telephone immediately. A copy of the police report must accompany the survey form. In the case of loss of non-state owned property that is covered by insurance, the department must notify the Insurance Coordinator at 352-392-1591.
- K. Items not sold at auction will be available to other Government Organizations and/or Private Nonprofit Organizations see item 17 below for special requirements for electronic equipment.

13. Records Maintenance and Retention

- A. Asset Management is responsible for maintaining the records of all contractor acquired equipment and government furnished equipment. The property records file will be updated or adjusted upon receipt of Asset Management documentation indicating the payment for equipment or, in the case of government furnished equipment, the notice of receiving an item as shown on a DD Form 1149 or a contract modification.

14. Real Property – Capitalization Thresholds

- A. **Building Capitalization Policy** In accordance with statutory provisions and generally accepted accounting principles, the University will capitalize and include in its real property records the following:
 - 1. For construction projects beginning on or before June 30th, 2008:
 - a. All new construction
 - b. Remodeling, renovation, and major repair projects with total cost of \$100,000 or greater or 25% or more of the building value. Total cost will include all professional fees, contingencies, materials, etc. associated with the project. Purchases of tangible personal property (OCO) are not included in the evaluation of project costs for capitalization purposes.
 - c. All land purchases, donations, exchanges, etc.

The Construction Accounting Department, with the approval of the Associate Controller, may capitalize projects costing under \$100,000 if a determination is made that the completion of the project will substantially extend the useful life or substantially improve the use of the building. In such instances the costs of project will be added to the real property records. Purchases of tangible personal property (OCO) are not included in the evaluation of project costs for capitalization purposes.

- 2. For construction projects beginning on or after July 1st, 2008:
 - a. The original cost to construct **new** buildings
 - b. The costs related to renovation projects which adds new square footage
 - c. The costs to a renovation project which extends the useful life of a COMPONENT part (i.e. roof, plumbing, electrical, etc.) of the building by two or more years, and meets one or both of the following criteria:
 - i. The costs are \$250,000 or more
 - ii. The costs are 25% or more than the original cost of the building.

Note: Total costs include all professional fees, contingencies, materials, etc. Excluded costs include tangible personal property and asbestos abatement costs.

15. Real Property – Acquisitions

- A. New Construction and Renovations – Each new construction and renovation project is assigned a project number in MyUFL. All costs related to the project are tracked individually. At the end of the project, if the costs meet the capitalization threshold (listed above), the costs are capitalized to the related building and/or as infrastructure on the financial statements.
- B. Donations – Donations of buildings are normally executed through the UF Foundation and/or the Research Foundation. Documentation to support the donation must be sent to Asset Management (PO Box 115300, 116 Elmore Hall). These capital assets are added to the AM Subsystem in MyUFL and recorded as an asset on the financial statements.
- C. Leased Property – Property leases that include clauses that stipulate that the title of the buildings will be transferred to the University of Florida and where the lease term is greater than or equal to 75% of the property’s life and the value of the payments is greater than or equal to 90% of the fair market value of the property are considered “capital leases” and are added to the AM Subsystem in MyUFL and recorded as an asset on the financial statements. Departments who engage in such capital lease agreements are encouraged to send the lease agreement and the amortization schedule to Asset Management (PO Box 115300, 116 Elmore Hall). Asset Management will further research whether the lease qualifies as a capital lease.
- D. Leasehold Improvements – Whether or not a lease qualifies as a capital lease, if a department makes improvements to a leased building, the costs are capitalized as a leasehold improvement as long as the improvements meets the capitalization threshold listed above.

16. Attractive and Sensitive Property

- A. Attractive/Sensitive Property (ASP) is tangible personal property that costs less than \$5,000 and can be characterized as “walk away” items. These items are prone to theft because they are either not secured, are easily portable, contain new technology and/or they are adaptable for personal use.
- B. The following are required to be treated as ASP and identified in a department’s ASP list when the item costs less than \$5,000 (not part of the University’s capital assets inventory):

- Any property item included on the United States Munitions List (USML) or in the 600 series on the Commerce Control List
- Items taken off campus
- Items purchased with Equipment-Use Fees, Fund 163
<http://cfo.ufl.edu/media/cfofledu/documents/Equipment-Use-Fee-Equipment-Management-Policy.pdf>
- Items identified in the Mobile computing and storage devices policy to be maintained on the unit's information assets inventory
<http://www.it.ufl.edu/policies/information-security/mobile-computing-storage-devices>

C. Examples of other items that may be considered ASP include:

- Audiovisual equipment
- Televisions
- Projectors
- Communication Equipment
- Cellular Phones
- Data Processing Equipment
- Computer peripherals
- Scanners
- Cameras
- Digital Cameras
- Lab equipment
- Musical Instruments

D. Responsibilities – It is the Property Custodian's responsibility to identify and safeguard ASP owned by their departments. This includes:

1. Developing written departmental policies for defining, identifying and tracking ASP. A documented operational risk assessment is recommended as the basis of determining what items beyond those included in B above will be treated as ASP. Refer to "Best Practices for Attractive Sensitive Property" for guidance on developing and maintaining departmental policies and procedures.
2. Maintaining a departmental list of ASP items.
3. Training staff on procedures for properly handling of equipment (i.e. moving, transferring and cannibalizing equipment).
4. Locking equipment in secured locations.
5. Performing adequate maintenance and upkeep of equipment.
6. Locking doors when rooms are not in use.

7. Not letting equipment sit idle for extended periods of time.
8. Storing equipment in environmentally suitable locations to prevent corrosion, contamination and damage of sensitive parts.
 - E. Records of ASP are not included in the University's Financial Reporting System (myUFL). University departments can utilize the myAssets portal to identify and help control ASP or develop their own method of tracking ASP.
 - F. Departments that elect not to use myAssets to track ASP will need to include the following information for tracking ASP:
 1. Serial Number of Equipment and/or a Unique Tag Number if Serial number is not available*
 2. Date equipment was purchased
 3. Description of the equipment
 4. Item's cost
 5. Current location of equipment
 6. Person responsible for usage of the equipment
 7. Inventory Date
 8. At time of removal from ASP list, the date and reason for removal

Please refer to the Equipment-Use Fees Management Policy for additional information requirements when an item is purchased with Equipment-Use Fees. <http://cfo.ufl.edu/media/cfofuledu/documents/Equipment-Use-Fee-Equipment-Management-Policy.pdf>

* A unique tag number may be obtained for the item by initiating a request in myAssets. Tags must be placed on the equipment by the department.

When departments need to dispose of ASP, Asset Management policy for Reducing, Re-using and/or Recycling Electronic Equipment must be followed.

Stolen ASP – Whenever it has been discovered that ASP has been stolen, the Police must be notified immediately.

Lost or Stolen Mobile Devices are required to be reported to Information Security Office <https://security.ufl.edu/it-workers/media-disposal/lost-or-stolen-mobile-device-procedure>.

17. Reducing, Re-Using and/or Recycling University of Florida Electronic Equipment

A. Overview – The University of Florida has embarked on an initiative to serve as a laboratory for sustainability, to form partnerships with local and regional stakeholders in its sustainability efforts, and to provide international leadership for sustainability. Surplus Property staff working with the campus

community plays an important role in this mission by ensuring that electronic equipment is reduced, re-used and/or recycled.

B. Purpose – The purpose of this directive is to minimize the effects of the University of Florida’s electronic waste on the environment by reducing, re-using and/or recycling electronic equipment and materials while meeting all local, state and federal regulations.

By working together, we can all contribute to the University’s sustainability goals.

C. Examples of Electronic Equipment and Materials

Cables	Microfiche Readers
Calculators	Modems
Cameras	Moving Vehicles
Cell Phones	Optical Drives
Circuit Boards	PDA's
Computer Racks	POS Equipment
Connectors	Power backup
Converters	Printers
Copiers/UPS	Projectors
CPUs	Repeater Research and Testing
Computers	Equipment Tracking Devices
CRT Monitors	Surge protectors
DVD Players	Splitter & Cluster Boxes
Fax Machines	Tape Drives
Hard Drives	Telecom Equipment
Keyboards	Televisions
Mice	Transceivers
Laptops	VCR Players
Mainframes	
Medical Equipment	
Memory Devices	

D. **Because electronic equipment contains a high level of lead and other hazardous materials, it has been deemed to be harmful to the environment.** As such, the University of Florida has taken measures to minimize such environmental damage.

E. Management and Disposal of Electronic Equipment

1. Management of Electronic Equipment by Departments

- a. Departments are encouraged to review the list of surplus equipment available on Surplus Property’s website before purchasing new equipment.

- b. Departments are encouraged to not stockpile and/or store equipment for extended periods of time and to send such equipment to the Surplus Warehouse so that the equipment can be made available for other departments to actively use.
- c. Departments are encouraged to perform preventative maintenance on equipment to sustain its useful life.

Through this effort, the University reduces the unnecessary purchase of electronic equipment that is already available from the Surplus Warehouse, as well as encouraging the re-use of available equipment suitable for other purposes.

2. Completing a Report of Survey Form

- a. Departments are encouraged to initiate a request to pickup surplus equipment in myAssets whenever they discover they have equipment that is no longer needed in their department.
- b. When departments send electronic equipment to the Surplus Warehouse, the Units will indicate on the survey form whether the equipment is working or non-working.
- c. It is the responsibilities of all departments sending equipment to the Surplus Warehouse to ensure that all sensitive data has been permanently removed from all electronic devices. This includes, but is not limited to, data that is confidential, for internal use only, protected health information, or any other sensitive information that is not to be made publicly available.
- d. The departments must indicate on the survey form that all sensitive data has been permanently removed from all electronic devices. Guidance on removing such data can be found at <http://fa.ufl.edu/am/destroy-data.asp>.

F. Obtaining Electronic Equipment from the Surplus Warehouse

1. All electronic equipment identified as working is first advertised for 14 days on the Surplus Property website to allow other departments the opportunity to re-use the equipment. Note: Departments may be limited on the number of electronic equipment items each Unit can obtain from the Surplus Warehouse during a specified time period. This is intended to provide equal opportunity for all departments to choose the most valued electronic equipment available from the Surplus Warehouse.
2. Auction of Electronic Equipment to Students, Staff and Private Individuals – If working electronic equipment has not been obtained by a department and is less than five (5) years old and/or

contains new technology, the equipment becomes available by the Surplus Warehouse to students, staff and private individuals to purchase through online auction or sale. In such circumstance, the following conditions apply:

- The equipment is sold individually and not in bulk.
 - A minimum fair market value will be stipulated for the beginning bid price.
 - The purchaser will be contractually required to return the electronic equipment to the Surplus Warehouse in the unlikely event that any sensitive information still exists on the electronic device.
 - The purchaser must agree in contract to use the equipment appropriately according to all local, state and federal regulations.
 - The purchaser must agree in contract to dispose of such equipment as required by local, state and federal regulations.
 - The purchaser is restricted to the number of items that can be bid upon during a specified time period.
3. Donations of Equipment to Other Governmental Entities and Non-Profit Organizations – State, Government, and Non-Profit Organizations are allowed to obtain working electronic equipment from the Surplus Warehouse that has not been obtained by departments, is less than five (5) years old and/or contains new technology. The following conditions apply:
- The equipment is not needed by another UF department or under bid.
 - The non-profit organization has proper certification.
 - The equipment is taken individually and not in bulk.
 - The organization will be contractually required to return the electronic equipment to the Surplus Warehouse in the unlikely event that any sensitive information still exists on the electronic device.
 - The organization agrees in contract to use the equipment appropriately according to all local, state and federal regulations.
 - The organization agrees in contract to dispose of such equipment as required by local, state and federal regulations.
 - A limitation may be set to control the number of items an organization can receive during a specified time period.
4. Recycling Unsold and Non-Working Electronic Equipment – If working electronic equipment is not sold or donated within a reasonable time frame, the equipment will be sent to an approved recycling vendor along with non-working electronic equipment. **Surplus Property will not sell or donate electronic equipment (working or non-working) in bulk unless the buyer has been approved as a recycler by Environmental Health and Safety and vendor pricing has been approved by Asset Management.**


3.5 TRAINING

New Employees

TEAMS


All benefits-eligible employees must sign up for benefits during the first 60 calendar days of employment.

NEO100 New Employee Orientation, Part 1

 ***Available as an on-demand online course through myTraining***

Presented in a reality-game-show format, this interactive online training serves as the official UF orientation for newly-hired TEAMS employees—both exempt and non-exempt. Topics covered in this training include the mission of UF, position types, policies/procedures, Gator 1 IDs, GatorLink accounts, parking/transportation options, paychecks, attendance, benefits/retirement, employee resources, and campus safety. Newly-hired TEAMS employees are expected to complete this training within their first 30 days of employment.

NEO200 New Employee Orientation, Part 2

 ***Course available as an on-demand online course through myTraining***

Presented in a game-board format, this interactive online training serves as the second portion of UF's orientation for newly hired TEAMS employees—both exempt and non-exempt. After completing NEO100, newly-hired TEAMS employees are expected to complete NEO200 within their first three months of employment.

FACULTY

All new Faculty employees are expected to attend the New Faculty Orientation Sessions within their first year of employment, sessions are typically offered once per calendar year in the Fall semester. Dates and times for each year's session are provided by the university's office of Human Resource Services.

Existing Employees

All employees receive the training they need to complete the business functions associated with their position descriptions and their security roles. PeopleSoft, myUF Market, ePAF, and other workshops are available each month in addition to online training.

3.6 EFFORT REPORTING

Responsible Office: Office of Contracts and Grants Effective Date: June 13, 2011 Last Revision: December 26, 2014

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 - 1.2. Institutional Base Salary
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3. Expending effort and charging salary to sponsored projects
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- 6. Adjustments to effort and salary distributions
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 - 7.1. Principal Investigators and Faculty
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 - 7.3. Department Chairs and Deans
 - 7.4. Division of Sponsored Programs
 - 7.5. Office of Contracts and Grants Accounting Services
 - 7.6. Department of Cost Analysis
 - 7.7. Office of Institutional Planning and Research
 - 7.8. Office of Internal Audit

Background

1.1. DEFINITIONS

1.1.1. Cost Sharing - The portion of the total costs of a project borne by the University of Florida and not borne by the Sponsor.

1.1.1.1. Mandatory Cost Sharing - Mandatory cost sharing is required by statute or as condition of a specific solicitation or program announcement. It will normally appear in the award document from the agency. Mandatory cost sharing expenditures are tracked and accounted for and will be reported back to the sponsoring agency in a Financial Report.

1.1.1.2. Voluntary Committed Cost Sharing - Voluntary committed cost sharing is created if a proposal includes cost sharing where none was required. If funded, the PI and the University are "committed" to providing the project with the indicated support. Voluntary committed cost sharing expenditures are not normally reported back to the sponsoring agency, however, it is still required that the University track and document these costs as they are subject to audit.

1.1.1.3. Voluntary Uncommitted Cost Sharing - Voluntary uncommitted cost sharing represents contributions to a sponsored project that are made after the award is received. For example an investigator decides to spend more time on the project than proposed and not charge the sponsor for the increased effort. Uncommitted cost sharing is not planned for and is not accounted for in the University cost sharing system.

1.1.2.Effort - Effort is the time devoted to a particular activity, expressed as a percentage of the total time spent on UF activities.

1.1.2.1. Committed Effort – The amount of effort proposed in a project application and accepted by the sponsor, regardless of whether salary support is requested. Committed effort may be adjusted with the approval of the sponsoring agency.

1.1.2.2. Total Professional Effort - All professional activities performed by a faculty or staff member that may be considered by the University to be in the scope of employment for purposes of promotion and tenure, regardless of how (or whether) the individual receives compensation.

Total Professional Effort may include the following:

- Leadership and other activities in professional societies
- Service as proposal or manuscript reviewer or editor of a journal
- Other public service related to or benefitting work for the University

1.1.2.3. Total University effort – That specific portion of Total Professional Effort for which an individual receives Institutional Base Salary (IBS) from the University of Florida and which should be considered for purposes of completing an effort certification. By definition, an individual's total University effort must equal 100% – never more or less – regardless of the number of hours worked or the appointment percent.

For the purposes of completing effort certification, Total University effort EXCLUDES:

- Activities supported by compensation from the US Department of Veterans Affairs
- Volunteer community or public service not related to University effort
- Unpaid absences
- Activities (such as consulting) for which the individual receives any direct compensation from a source other than the University (not paid through the University)
- Other special activities resulting in payment of a lump sum amount or other one-time extra compensation from the University of Florida

1.1.3.Institutional Base Salary (IBS) - The annual compensation paid by the University of Florida for an employee's appointment, whether that individual's time is spent on research, teaching, patient care, or other activities. By definition, an individual's total University effort must equal 100% – never more or less – regardless of the number of hours worked or the appointment percent. For the purposes of determining Institutional Base Salary for compliance with 2 CFR 200, not all activities undertaken in an individual's professional capacity are included in activities compensated by IBS.

1.2. INSTITUTIONAL BASE SALARY

Institutional base salary *excludes* bonuses, awards, clinical variable pay, trainee stipends, lump sum payments and any compensation paid directly by another organization including but not limited to Howard Hughes Medical Institute, Department of Veterans Affairs and income that an individual is permitted to earn outside their University responsibilities.

Any sponsored program administered by UF may only be charged for the portion of IBS attributed to actual effort expended on that sponsored project.

Summer salary may be paid to an individual on an academic year (9-month) appointment for their research obligations performed during the summer months. Summer salary is calculated based on the IBS of the preceding academic year and can only be charged to a sponsored project in proportion to the effort expended on the particular project during the summer months.

Institutional Base Salary:

- may not be increased solely as a result of replacing University salary funds with sponsored projects funds;
- is established in the Letter of Appointment (upon new hire or when an appointment changes) and may be adjusted if:
 - o the employee's formal appointment, and required professional effort, is changed from full-time to part-time, from part-time to full-time, or from one required level of part-time effort to another required level of part-time effort;
 - o the employee receives a temporary or permanent increase or decrease in salary;
 - o the employee receives a salary adjustment as part of a University-wide adjustment of salaries that occurs during a fiscal year; or
 - o includes any compensation for additional duties such as chair of a department even if such salary covers only temporary increases in assigned duties and responsibilities
- Faculty may spend time performing professional activities for which they do not receive university compensation. Effort reporting may include such effort as part of total institutional effort.

1.3. ESTABLISHING A DISTRIBUTION OF EFFORT

Faculty and staff conduct research, instruction, clinical activities, extension and service for the University of Florida (UF) and UF expects its faculty and staff to align their teaching, research, extension, and service with the compensation received from the University. A Faculty Assignment Report (FAR) should be completed by the dean, department chair, director, or designee before the start of each reporting period for each faculty member and serve as a guideline for the relative proportion of each activity performed throughout the semester. This will be different for each person and for each appointment at the University and should be updated throughout the reporting period if assignments change.

Faculty and staff members must be able to account for and explain the percentages of effort that they provide, which should always equal 100%. Faculty or staff who have a part-time appointment should calculate effort as a percentage of their total UF effort (e.g. a 50% appointee spending half time on instruction and half on research would report 50% of their total effort devoted to instruction and 50% to research for a total of 100%).

Effort distributions should be reasonable estimates of activities, recognizing that research, instruction, and clinical activity are often inextricably intertwined and estimates may be necessary. Payroll distributions are initial estimates of how effort is anticipated to be expended. The effort reporting process is a method for confirming payroll charges made to sponsored awards.

1.4. EXTERNAL CONSULTING

The University of Florida faculty and staff may engage in consulting for entities outside the University with appropriate approvals. Effort expended on such consulting is in addition to their University responsibilities and therefore should NOT be considered in calculating total UF effort. The University requires that faculty or staff disclose to UF any outside consulting activities and other activities and financial interests under applicable University regulations, collective bargaining agreements, State of Florida law and federal contract and grant requirements.

Proposing effort

Levels of effort proposed on any sponsored project should be consistent with the actual effort that each individual is expected to expend on the project.

Proposed level of effort should be expressed in accordance with sponsor requirements. Some sponsors require that level of effort be proposed in terms of person months (e.g., 3 person months of a 12 month appointment). Other sponsors expect the proposed level of effort to be expressed in percentage terms (e.g., 25% of total UF effort). In either case, the requested salary support should normally be determined by multiplying the proposed percentage of effort by the individual's institutional base salary.

In drafting of proposals, it is expected that faculty will not include commitments of effort or costs in the narrative sections of proposals. Such commitments should be quantified only in the administrative sections of the proposal including the budget and/or justification.

In some cases, the amount of requested salary support may be less than this amount (see the University of Florida Cost Sharing Policy for further guidance). In no event should the requested salary support exceed the amount determined by multiplying the proposed level of effort by institutional base salary.

Except for career development awards that commonly require a 50-75% commitment from the principal investigator, proposal requests for greater than 50% effort on a single project need careful consideration.

2.1. REQUIRED EFFORT CONTRIBUTIONS FROM PRINCIPAL INVESTIGATORS

The Principal Investigator (PI) is required to commit some effort on all sponsored projects. This is a reasonable expectation as the PI has responsibility for the scientific, administrative and financial management of a sponsored project; fulfilling these responsibilities requires effort.

For all types of sponsored projects except clinical trials, it is expected that the PI has a minimum commitment of effort (1-2%) to the project during each reporting period. For a faculty member who serves as the PI on more than one clinical trial, the sum of the commitments for all of the trials should reflect a reasonable level of effort.

No committed effort from the PI is required for equipment and instrumentation grants, doctoral dissertation grants, or student augmentation grants. No committed effort is required from faculty mentors on institutional or individual training grants, since the faculty mentor's effort will be assigned to the specific research

projects on which the trainees are involved. However, an effort commitment is expected for the named research training program director, since he/she will be expending effort in coordinating the training program.

Salary need not be charged to the project if cost sharing for effort is documented and approved by UF per the University of Florida guidance on Cost Sharing.

2.2. NIH MODULAR PROPOSALS

NIH modular applications do not require that effort be identified as paid or as voluntary committed cost sharing (or a combination of both) in the proposal, but it is strongly recommended that investigators document their intentions at this stage. For instance, if an investigator lists 20% effort in the modular budget justification and intends to draw 10% salary from the award, he/she should be aware of the need to document the remaining 10% as voluntary committed cost sharing.

2.3. SPONSOR SALARY LIMITATIONS

Certain sponsors impose a limit or a "cap" on the annual rate of salary reimbursement (NIH awards and different caps on NIH Career – K awards). When investigators whose IBS is over the imposed limit request salary reimbursement from the sponsor, only the committed effort percent multiplied by the cap is allowed to be charged. The difference between the salary commensurate with the effort commitment paid to the investigator by the University and the amount that the Sponsor will reimburse the University is voluntary committed cost sharing. This amount cannot be used for meeting mandatory cost share commitments. Salary

in excess of the sponsor cap must be provided by UF from some source other than a federal- sponsored project.

The PI and other key personnel should still devote the amount of effort agreed upon irrespective of a sponsor imposed salary cap.

2.4. CROSS-COLLEGE / DEPARTMENTAL RELATIONSHIPS

University of Florida faculty or staff named in the personnel section of a research proposal may be based in a school, college or department different than that of the PI. To ensure appropriate levels of commitment and commensurate salary are included, the submitting department is responsible for verifying the salary

and effort availability and local requirements of any committed personnel not under their management prior to submission of the proposal.

Expending effort and charging salary to sponsored projects

Salary distribution consistent with the projected effort should begin on sponsored projects concurrently with actual project effort. The projected effort multiplied by the individual's IBS should be allocated in the University's payroll system. Charging less than the percentage projected is allowable, however the difference should be documented as cost sharing if it was committed in the budget or budget justification provided to the sponsor.

Should the investigator begin work on the project prior to the award being fully executed by the University or prior to the project being established in the accounting system, the investigator is strongly encouraged to utilize the temporary award process. This process ensures that charges for the projects are properly segregated in the accounting system and allocated to the appropriate cost center. Should the department prefer not to utilize this process, all charges for work begun prior to the project being established in the accounting system should be distributed to unrestricted sources and NOT to other sponsored projects.

Each faculty member is responsible to ensure the accuracy of his/her level of committed effort and to communicate any significant changes in level of committed effort to his/her respective business office.

Salary charges on sponsored projects must be at the same rate at which UF charges salary for the individual's other activities. Sponsors are not to be charged a higher rate per unit of effort than the institution pays an employee for effort directed towards similar University activity.

3.1. ACTIVITIES THAT CAN AND CANNOT BE ALLOCATED TO FEDERAL SPONSORED PROJECTS

According to 2 CFR 200.430 "Compensation-Personal Activities", the following are allowable to be direct charged to a sponsored project: "reasonable amounts for activities contributing and directly related to work under an agreement, such as delivering special lectures about specific aspects of the ongoing activity, writing reports and articles, developing and maintaining protocols (human, animals, etc.), managing substances/chemicals, managing and securing project-specific data, coordinating research subjects, participating in appropriate seminars, consulting with colleagues and graduate students, and attending meetings and conferences."

Examples of activities that can be allocated to federal sponsored projects include:

- Providing research patient care
- Writing a progress report for the project, sometimes called a continuation proposal
- Holding a meeting with lab staff to discuss the specific research project
- Consulting with colleagues about specific aspects of the project
- Delivering special lectures about specific aspects of the ongoing activity
- Attending a scientific conference held by an outside professional society to disseminate research results from the project being direct charged
- Mentoring graduate students on the specific research project
- Making an invention disclosure and other activities related to pursuing intellectual property. Where more than one award or activity contributed to the development of the intellectual property, the effort distribution should be based on proportionate support provided under the awards or other equitable relationship. Activities related to the protection of intellectual property that may be allocable include reasonable levels during the award period for:
 - o making an invention disclosure
 - o meeting with the UF Office of Technology Licensing to discuss an invention disclosure
 - o meeting with a patent attorney about a UF invention
 - o reviewing internal action on a patent application and/or reviewing a draft patent application

Examples of activities that CANNOT be allocated to sponsored projects include the following:

- Except for non-competing continuations (progress reports), proposal-writing including:
 - Developing necessary data to support the proposal
 - Writing, editing and submitting the proposal
 - Administration, including service as a department chair or dean
 - Instruction, office hours, counseling for students, and mentoring graduate students on something other than a sponsored project designated for instruction (i.e., training grant)
- Clinical activity, except patient care for an IRB-approved sponsored research activity
- Service on an IRB, IACUC, selection committee, or other similar group

- Course or curriculum development not specific to the faculty member's research project
- Writing textbook chapters
- Fundraising
- Lobbying
- Service as the primary editor of a journal
- Peer review of manuscripts, regardless of whether compensation is received
- Advisory activities for sponsors, including service on an NIH study section or NSF review panel, regardless of whether or not compensation is received

3.2. VARIATIONS IN EFFORT WITHIN A SPONSORED PROJECT BUDGET PERIOD

Fulfillment of an effort commitment for a sponsored project is measured over an entire project budget period, typically one year. During that period, an individual's level of devoted effort may vary. This variation is acceptable, as long as the individual fulfills the overall commitment for the entire budget period. However, a one-year project budget period spans multiple effort periods and the individual is obligated to charge salary to the project and to certify devoted effort consistent with actual effort within the effort period.

For example, an individual who has committed 30% effort to a federal-funded project during a calendar year budget period could fulfill that commitment by expending 40% effort during the first six months of the year and 20% during the second six months. Consequently, each effort report would show something other than 30% effort. It is not permissible to allocate salary at a constant 30% rate for the entire budget period, because actual effort is substantially greater during the first half of the budget period than the second half.

3.3. CHANGES IN THE LEVEL OF COMMITTED EFFORT

In accordance with 2 CFR 200, a 25% or greater reduction in the level of committed effort of the PI (and all key persons named on NIH awards) should be approved *prior to the change and in writing* by the sponsor's Grants Officer. It is not sufficient to simply communicate the change to the Program Officer.

For key personnel, a decrease in effort greater than 25% should be reviewed to assess whether the scope of work for that project has changed. Any change in the scope of work should be approved *prior to the change and in writing* by the sponsor's Grants Officer. The key personnel named in the Notice of Award may differ from key personnel identified by UF in the proposal. If the Notice of Award lists no key personnel other than the principal investigator, then the PI is the only person whose significant changes in work activity require prior approval.

The effort commitment at the time the award is issued is considered the threshold against which the magnitude of a potential change is measured, unless the sponsor is otherwise notified and approves the

changes. If an award document does not contain specific language about effort commitments, the level of effort in the grant proposal constitutes the benchmark against which any change is measured.

If a reduction in committed effort which would require Sponsor prior approval is anticipated, the proposed change and justification as to the continuation of the work should be provided to the Division of Sponsored Programs (DSP) for review and coordination with the Sponsoring agency. If a greater than 25% change is identified by Contracts & Grants Accounting (C&G) through request to update the commitments module, C&G will instruct the requesting campus unit to propose the change with justification to DSP for review and coordination with the Sponsor. Again, when approved, DSP will notify C&G via email to update the commitments module.

3.4. REBUDGETING VERSUS CHANGING THE LEVEL OF COMMITTED EFFORT

Some sponsors allow the University of Florida flexibility in budget management. For example, a PI can generally reduce the salary charges for one project staff member and increase them for another. *This rebudgeting authority does not confer the right to make significant changes in the scope of work without prior approval from the sponsor nor to reduce the level of effort for the PI and key personnel more than 25% from their original commitment.*

3.5. REDUCTION OF EFFORT COMMITMENTS WHEN AWARDED BUDGET IS LESS THAN PROPOSED

Unless otherwise modified, sponsors expect PI's (and other key personnel) to provide the level of effort outlined in the proposal, even when the amount funded is less than requested. If the awarded budget is reduced from the proposed budget, the PI determines how the project will be conducted and how funding will be allocated among budget categories. This includes confirmation of effort commitments and associated salary support. In doing so, PI's should carefully and deliberately manage their own (and their key personnel's) total sponsored and non-sponsored effort commitments and minimize voluntary cost sharing.

When an award is made with a budget less than proposed, the PI is responsible for determining whether:

- Effort commitments will be reduced, and a corresponding request for approval will be sent to the sponsor. Generally, effort commitments should be reduced when the awarded budget reflects a reduction of 25% or more from the proposed budget. Failing to reduce effort commitments when funding is reduced could result in a perception by sponsors that the original budget was overstated; or
 - Original effort commitments and salary support will be retained, and other budget categories can be reduced or eliminated; or
 - Neither the effort commitments nor other budget categories can be reduced or eliminated.
- In these instances, the resulting voluntary cost sharing is governed in accordance with the University of

Florida guidance on Cost Sharing.

It is the practice of the National Science Foundation (NSF) to request a Budget Impact Statement when the awarded budget is reduced by 10% or more.

3.6. INITIATION OF NEW ACTIVITIES THAT CHANGE ONGOING COMMITMENTS

Due to constant awarding and ending of multiple sponsored projects, it may become necessary to make adjustments to an individual's projected salary allocations or level of effort. For example, if a PI who devotes 20% of his/her total UF effort to a sponsored project and 80% to other duties becomes involved in another grant at a 10% level of effort, adjustment is necessary to ensure that the PI's total UF effort does not exceed 100% and that all commitments are met. This might involve reducing effort on the existing project (subject to sponsor approval, if necessary) or spending less time on non-sponsored research activities, or both. It may be necessary to change the salary allocations as well.

When such changes are identified, the PI or department support staff should contact Contracts and Grants Accounting.

3.7. NINE-MONTH APPOINTMENTS AND SUMMER SALARY

As many activities other than research occur throughout the summer, faculty should review their activities allocated to sponsored projects occurring throughout the academic year and ensure that salary is distributed appropriately to compensate for them. The University will work with faculty to balance the use of sponsored project funds for appropriate activities throughout the year, using state funds for state-sponsored activities (such as graduate student mentoring, teaching appointments, or committee service) during the summer for those with 9- or 10-month appointments.

Note: Effort expended during the academic year does not satisfy a commitment related to the receipt of summer salary.

In addition, the National Science Foundation (NSF) policy precludes senior project personnel from requesting more than 2 months' salary from all NSF awards in any one year.

Further, when paid by sponsored projects in the summer, faculty must take care to ensure that the work performed is at least proportionate and is allocable to the salary received.

Summer Pay	Allowed Activities
If paid for the full 3 months (6.6 pay periods) from sponsored projects	No activity except that which is clearly allocable with the sponsored project is allowed for the full 3 months. "Charges to Federal awards may include reasonable amounts for activities contributing and directly related to work under an agreement, such as delivering special lectures about specific aspects of the ongoing activity, writing reports and articles, developing and maintaining protocols (human, animals, etc.), managing substances/chemicals, managing and securing project-
If sponsored projects pays less than the full 3 months (6.6 pay periods) – the other time may be	For the amount of time paid on sponsored projects, the activity must be clearly allocable to the sponsored project. Please see details above.

3.8. LEAVE TIME

3.8.1. Paid leave, such as vacation time and sick leave, is charged to sponsored projects as part of the normal charge for salaries, wages, and fringe benefits. If an individual is expending effort on multiple sponsored projects at the time of the leave, the charges to the sponsored projects should be consistent with the usual salary charges in keeping with UF policies.

3.8.2. Unpaid leave is excluded from total UF effort.

3.8.3. Extended leave, including sabbatical, may have an impact on a key person's ability to meet his/her effort commitment to a sponsored project. If the extended leave lasts for 90 days or more, the sponsor should approve the extended leave in advance. If, as the result of

extended leave, a key person reduces the time that he /she expends on the project by 25% or more of the original commitment, sponsor's prior approval is required. If you are aware of or anticipate extended leave on a sponsored project, contact the Division of Sponsored Programs to coordinate Sponsor approval and an update to the individual's commitments.

Monitoring and managing commitments

To ensure the proper management commitments, the Office of Contracts and Grants Accounting will enter all commitments (paid and cost shared) into the Commitment Tracking Module. This information is available in myUFL for departments to manage payroll allocations and for investigators to monitor their progress in meeting their commitments. In addition, this information loads into the Faculty Assignment Report each semester. These commitment levels should serve as a guide for Sponsor's expectations for the PI and Key Personnel throughout the project.

As a reminder, at no point can actual effort exceed 100% of an individual's University activities. If new activities are engaged that require adjustments to existing effort, see sections 3.3 and 3.6 of this Directives for guidance.

4.1. ALIGNING EFFORT COMMITMENTS AND ACTUAL EFFORT

When an individual's commitments to sponsored projects add up to 90% or more of his/her total UF effort in any given term, the commitments will be subject to review by Contracts & Grants and for faculty titles, approval by the appropriate Chair. The purpose of this review is to assure that, if other activities required of the individual reduce the available effort for sponsored activities, adjustments are consistent with the terms and conditions of the sponsor's award. In many situations, a commitment level of 90% or greater may be entirely appropriate. However, most individuals working on sponsored projects also have teaching, administration, service, clinical activity, new or competing proposal preparation and institutional governance duties. These activities cannot be paid from sponsored funds unless they are approved activities of a sponsored project. Any necessary adjustments to the commitment will be coordinated with the Division of Sponsored Research and the Sponsor.

4.2. NO-COST EXTENSIONS

Sponsors expect that the original award terms and conditions, including commitments of the PI and all key personnel, extend throughout the project period, including a no-cost extension (NCE) period. However, federal agencies recognize that effort likely will be reduced during the extension period. Any change of greater than 25% for the PI and other named key personnel require prior approval and should be included in the NCE request. Upon approval of the extension, the commitments will be updated according to the NCE justification.

Certifying effort

5.1. WHOSE EFFORT MUST BE CERTIFIED?

At the University of Florida, an individual will be presented with and required to complete an effort certification if:

- The individual's salary is charged in whole or in part directly to a sponsored project, and/or
- The individual expends committed effort on a sponsored project, even if no part of the individual's salary is charged to the project.

In addition, all faculty, even those who do not have any paid or committed effort on a sponsored project, will receive an effort certification for which certification is encouraged.

5.2. HOW IS EFFORT CERTIFIED?

For all personnel whose effort must be certified, the certifications will be done using the University electronic effort reporting system. In special cases where approved by Contracts and Grants, a paper form may be substituted for the use of the system.

5.3. WHEN MUST EFFORT BE CERTIFIED?

In general, effort should be certified within 30 days of the date on which the electronic statement becomes available. All individuals who are required to certify effort will be notified via email when the statements become available.

Effort for all employees will be certified each semester (fall, spring and summer). Effort for an individual who works on one or more sponsored projects must be certified *every term* during which the individual charges salary or devotes effort to the project.

5.4. WHO CERTIFIES FOR WHOM?

Each effort statement must be completed by the individual whose effort is being reported, the Principal Investigator, or by a responsible person who has reasonable knowledge of the reportee's activities during the certification period. The University's practice is:

- All faculty and academic staff certify their own effort.
- All Principal Investigators certify their own effort, regardless of the type of position they hold at UF.
- The PI certifies the effort for all graduate students, postdoctoral trainees, and non-PI classified staff who work on their projects.

When a graduate student, postdoctoral trainee, or non-PI classified member staff works on multiple sponsored projects for two or more PI's, the PI's and the effort coordinators should work together to ensure that all of the individual's effort is certified in a timely manner- by one or more responsible people with suitable means of verifying that the work was performed.

- Any of the PI's may certify all of the individual's effort, as long as the certifying PI has suitable means of verifying that the work was performed as allocated.
- Each PI can certify the portion of the individual's effort about which the certifying PI has suitable means of verifying that the work was performed.

In some circumstances, the PI may not have suitable means of verifying the effort for sponsored project staff. For example, this may occur in the case of large center grants, where an individual is the PI by virtue of his/her position in the University. With its effort reporting system, the University can authorize an individual to certify the effort statements for project staff instead of the PI. When such an arrangement is needed:

- The PI and the effort coordinator should work together to identify the individual who has suitable means of verifying the effort for the affected staff.
- The effort coordinator should communicate to UF Finance and Accounting Office of Cost Analysis the need for the arrangement, and the name of the individual who will certify the effort.
- Office of Cost Analysis will establish the authorization for the alternate certifier.

5.5. STUDENT HOURLY EFFORT

For individuals who work on sponsored projects and also have a student hourly appointment, (e.g. as a lifeguard or fitness instructor) the effort for the student hourly appointment does not appear on the effort statement.

5.6. GENERAL CERTIFICATION GUIDELINES

The purpose of certifying effort is not to confirm how an individual was paid, but to confirm that:

- Salary charges to the sponsor are reasonable in relation to the work performed, and
- The effort provided to each sponsor is at least as great as the effort promised to the sponsor.

Total sponsored effort is comprised of payroll (paid effort on a sponsored project) and cost shared effort (paid by the University).

Effort distributions should be reasonable estimates of activities, recognizing that research, instruction, service and clinical activity are often inextricably intertwined. Use of UF institutional base salary (IBS) is necessary in proposing effort, charging salary, and certifying effort. The total UF IBS is distributed across all of an employee's activities.

The total effort percentages on the statement must equal 100%. The effort statement is not reflective of any fixed number of hours in a week. Often, the idea of an "average" work week arises and some faculty and staff view their work week as a fixed number of hours, such as 40. However, if 40 hours were to represent 100% effort, the impression would be created that more than 100% effort is being expended whenever the individual works more than 40 hours – and this could result in inequitable cost allocations. Regardless of the number of hours worked, effort percentages are based on total UF effort, not hours.

5.7. PRECISION IN EFFORT CERTIFICATION

Precision in effort reporting pertains to the acceptable variance between an individual's actual effort and the effort as certified by the individual on the effort statement. A precise assessment of factors that contribute to costs is not always feasible, nor is it expected. Reliance, therefore, is placed on estimates in which a degree of tolerance is appropriate. UF's acceptable variance is less than five percent of total UF effort.

For each sponsored project, the effort statement shows the sum of the payroll allocation and the cost shared effort. The variance comes into play in determining when to certify a different level of actual effort than appears on the effort statement. If a reasonable estimate of the actual effort is within five percentage points of the effort percentage shown on the statement, it is permissible to certify the level of effort that appears on the statement. If a reasonable estimate of the devoted effort is not within five percentage points of the effort percentage shown on the statement, the certifier should enter the estimate of actual effort on the statement before certifying.

For example, if an individual's salary is initially allocated 50% to a sponsored project (and no cost shared effort), it is permissible to certify 50% effort for the project if the effort devoted to the project could reasonably be determined to fall between 45% and 55% of the individual's total UF effort.

5.8. MULTIPLE GRANT EFFORTS WITH VARYING START AND END DATES

The effort statement shows an individual's effort distribution for each reporting period during which time an individual's grant activity may vary. In particular, grants do not always begin at the start of an effort period or terminate at the end of an effort period. For example, if a faculty member devotes 10% of his or her effort to a project that concludes halfway into an effort period, the statement will show 5% effort on that project for the entire reporting period. The situation is compounded for individuals who work on multiple sponsored projects with varying start and end dates.

During each effort period, an individual should certify effort for each sponsored project that accurately reflects the portion of the period during which effort was devoted to the project. The effort level for the entire period is calculated as:

$$\text{(actual effort level)} \times \text{(fraction of the reporting period during which the effort was devoted)}$$

5.9. CERTIFICATION FOR PERSONNEL WHO LEAVE THE UNIVERSITY

Any individual who is responsible to certify their own effort should certify prior to leaving the University. If this cannot be accomplished with the web-based system, the individual should submit a paper certification to Contracts & Grants. If an individual does not certify prior to his or her departure, the individual's primary effort coordinator should make reasonable attempts to follow up with the individual, requesting that he or she certify his or her effort after the departure.

If, after reasonable requests from the primary effort coordinator, an individual fails to certify his or her effort, the PI or department chair should identify another person who can do so. As with all certifiers, the alternate should have suitable means of verifying that the work was performed. If the PI or department chair has suitable means of verification, he or she can serve as the alternate.

When graduate students, postdoctoral trainees, and classified staff leave the university, PI's can continue to certify their effort just as they would for their current students, trainees, and staff.

5.10. SALARY FOR INDIVIDUALS WHOSE EFFORT IS NOT CERTIFIED

Federal regulations require that all salary charged to sponsored programs be certified. Therefore, any salary for an individual whose effort report is not certified more than ninety (90) days after the certification period closes will typically be removed. In order to facilitate, Contracts & Grants may stop spending on projects where effort is uncertified in order to protect the integrity of all salary charges.

Adjustments to effort and salary distributions

6.1. CONFIRMATIONS OF EFFORT DISTRIBUTIONS

Effort reports are designed to confirm that salary charges are in alignment with effort. Therefore, the effort report is a good tool for identifying allowable transfers of salary charges. When an effort report indicates that a salary distribution is not correct, a *cost transfer* may be required to update the original distribution.

This confirmation is a mechanism to finalize provisional salary charges (estimates) to the sponsored project. Confirmations of effort distribution are an important and appropriate part of sponsored projects administration.

6.2. COST TRANSFERS AFTER EFFORT CERTIFICATION

Once salary charges have been certified on an effort report and confirmations of the effort distribution are complete, subsequent changes to the salary charges will be carefully scrutinized.

Federal officials and institutional administrators, alike, will ask: "If the initial cost distribution was certified by a 'responsible person using suitable means of verification,' how can a change to that distribution be appropriate?"

Retroactive adjustments placing salary onto a sponsored agreement are allowed only in keeping with the University's policy on cost transfers. A request to transfer salary charges from a sponsored award to unrestricted funds (e.g. due to a cost overrun) will rarely require the same level of scrutiny, though repeated cost transfers off of sponsored awards could be a sign of poor internal controls.

A salary cost transfer after effort certification when a sponsored project is affected will typically require recertification of an effort statement (see section 6.3). When this is the case, the criteria for reviewing the salary cost transfer request are consistent with the criteria for reviewing the recertification event. If it is determined that a cost transfer is acceptable, the circumstances should be clearly documented.

To minimize the potential need for cost transfers after effort certification, investigators, supported by their department administrators and effort coordinators, should review sponsored project reports (myinvestiGator), payroll expense distribution reports, and effort commitments at least monthly.

6.3. RECERTIFICATION OF EFFORT

Recertification of effort is a change to the effort distribution on an effort statement that occurs after (a) an effort coordinator has processed the certification, and (b) an individual has certified the statement.

For each reporting period, certification occurs during a *certification window*. Up through the last date of the certification window, a certifier can change the effort distribution on a certified statement by contacting the effort coordinator, who is authorized to reopen the effort statement without further review of the request.

Once the certification window has closed, any subsequent recertification can call into question the reliability of the original certification. Therefore, any recertification request requires justification that clearly sets forth why previous effort was erroneously certified, and why the requested change is more appropriate within the context of law, federal requirements, or University policies and procedures. These requests along with supporting documentation should be submitted to UF Office of Contracts and Grants Accounting Services as part of the cost transfer process.

Roles and Responsibilities

The various individuals with responsibilities in University effort management should thoroughly understand the proper method of proposing, distributing, managing, reviewing, completing and certifying the effort reports to ensure that documented effort percentages reasonably reflect effort expended toward individual sponsored activities and other University activities supported by their institutional based salary during the report period.

7.1. PRINCIPAL INVESTIGATORS AND FACULTY

- Providing reasonable estimate of the effort required in order to carry out the project statement of work in proposals
- Expending effort throughout the life of the project
- Participating actively in fiscal management including providing timely information to departmental personnel to facilitate payroll distribution and payroll distribution changes and reviewing charges throughout the life of the project to ensure accuracy
- Ensuring that his/her own effort and that of other individuals working on sponsored activities under their direction is certified accurately and in a timely manner.
- Complying with Sponsor requirements regarding any significant reductions (normally $\geq 25\%$) in effort commitments on funded sponsored activities.

7.2. DEPARTMENTAL SUPPORT STAFF INCLUDING EFFORT COORDINATORS AND PAYROLL DISTRIBUTORS

- Distributing salary in accordance with applicable federal law, regulations and guidelines, the award, and this policy.
- Providing guidance and assistance to faculty and other certifiers to support the accurate reporting of effort.
- Following up and processing any necessary adjustments and cost transfers to resolve discrepancies between payroll charges and actual effort.
- Communicating with instructor work load coordinators to ensure that information regarding instructor work load and faculty course information is recorded properly.
- Retaining documentation to support the effort reporting process as necessary.
- Managing and processing changes to effort commitments over the reporting terms.

7.3. DEPARTMENT CHAIRS AND DEANS

- Ensuring proposals from the department have been reviewed for effort commensurate with the activities of the project and that the resources to provide the commitment are available.
- Approving faculty commitments to sponsored projects greater than 90% in any one term.
- Ensuring departmental processes and procedures support the effort reporting process.
- Following up and helping resolve departmental issues and taking corrective action when necessary.

7.4. DIVISION OF SPONSORED PROGRAMS

- Setting up awards and projects in a timely fashion to facilitate proper charging of salary.
- Coordinating requests for prior approval including pre-award spending and changes in personnel.
- Coordinating and developing principles, policies and procedures in support of accurate and timely certification of effort.

7.5. OFFICE OF CONTRACTS AND GRANTS ACCOUNTING SERVICES

- Coordinating and developing principles, policies and procedures to support accurate and timely certification of effort.
- Entering commitments into the commitment tracking module
- Reviewing and approving cost transfers in a timely manner to ensure payroll charges remain accurate
- Reviewing and entering cost sharing expenditures.

7.6. DEPARTMENT OF COST ANALYSIS

- Notifying the University community regarding the availability of effort reports.
- Assisting in the resolution of discrepancies/adjustments for all effort related activities, except instructional, that are related to effort.
- Approving and managing effort reporting proxies.

7.7. OFFICE OF INSTITUTIONAL PLANNING AND RESEARCH

- Assisting in the resolution of discrepancies/adjustments for instructional activities that are related to effort.
- Coordinating UF effort reporting to the Florida Board of Governors, including the annual Instruction and Research Data File and the Expenditure Analysis

7.8. OFFICE OF INTERNAL AUDIT

- Reviewing the Effort System on a regular basis in compliance with the overall audit plans and guidelines for the University.
- Providing recommendations for system internal control improvements and processes.

3.7 FUEL AND VEHICLE USAGE

Introduction

This directive is intended to provide guidance and direction as to the use and responsibilities associated with University-owned vehicles. For purposes of this directive, University-owned vehicles is intended to refer to those vehicles designed for road use that are owned by the University or otherwise assigned or under the control of a department or unit of the University of Florida.

Vehicle Acquisition, Use, and Maintenance

- A. University-owned vehicles are to be used only for official University business and should not be used for personal use, except during extended trips where such use is consistent with the completion of the official duties of the operator and/or passengers.
- B. University departments or units should only acquire vehicles when there is sufficient business need to justify the acquisition. All vehicles should be acquired through University Purchasing Services and should be appropriately maintained to ensure the maximum service life of the vehicle.
- C. The use of tobacco products, including chewing tobacco and the smoking of cigarettes and cigars is not permitted in University-owned vehicles.

- D. Bumper stickers and other materials are not to be affixed to University-owned vehicles without the express permission of the supervisor.
- E. All occupants of a state vehicle must wear seat belts whenever the vehicle is in motion.
- F. The operator must possess a valid driver's license of the type required for the vehicle operated. Departments should validate periodically that driver's of University-owned vehicles have such appropriate and current driver's licenses.
- G. University-owned vehicles are to be operated in accordance with all applicable motor vehicle laws and regulations. The operator is personally responsible for all fines and other disciplinary actions resulting from the violation of laws and regulations due to the operation and parking of the vehicle. Accidents or property damage involving the University vehicle should be reported to the University's Insurance Coordinator within the Environmental Health and Safety Office.

Vehicle Use Logs

Vehicle use or trip logs are required to be maintained for all vehicles covered by this directive except service vehicles that never leave campus and University police vehicles. The vehicle logs should identify the date and time of use (in and out), vehicle trip beginning and ending mileage, name of driver, and purpose of trip. For vehicles that primarily travel on campus and occasionally off campus, a single entry per day may be used to record on-campus travel as the purpose. These vehicle usage logs should be reviewed periodically by appropriate supervisory/administrative staff. Documentation of such review should be noted on the logs.

3.8 RECONCILIATION OF LEDGERS

- A. Internal Controls – Internal controls are a process designed to provide reasonable assurance regarding the achievement of objectives in the following categories: Effectiveness and efficiency of operations, Reliability of financial reporting, Compliance with applicable directives, laws and regulations. Fundamentally, controls help to ensure that the university's assets are being protected. Through effective controls, a department can safeguard assets and also detect and correct errors and irregularities.
 - 1. Basic Internal Controls
 - a. There should be an audit trail for each financial transaction. Documentation can be in either electronic or paper form.
 - b. Accounting data must be checked to ensure that it is accurate and reliable.
 - c. All financial data must be checked against departmental source documents. For financial data to be validated, it must be reconciled.

- d. During the reconciliation process, departments must ensure that only expenses related to their budgetary cost center are recorded in that budgetary cost center. The department must follow up on all inaccurate charges. Reconciliation is a critical step in ensuring that the university properly manages its resources.

2. Segregation of Duties for Reconciliation

- a. Segregation of duties is critical. Segregation deters fraud and detects errors.
- b. Appropriate authorizations must be in place.
- c. Authorization of expenditures and recording of expenditures should be segregated duties.
- d. Reconciliation of financial transactions and the recording of those transactions should be segregated duties.
- e. If a department is too small to have two or more employees who can segregate duties, then the department administrator must frequently review departmental transactions.

3. Documentation

- a. Millions of financial transactions are recorded annually into the University's general ledger. Required documentation is not the same for all transactions. For example, an adjustment to an expense between account codes within a department is not as critical from the perspective of internal controls and risk as processing additional pay in the human resources system.
- b. Documentation must be aligned with internal controls and level of risk, therefore, required documentation for transactions depends closely on the level of risk associated with the transaction. Documenting general ledger entries are based on the following considerations:
 - I. Minimal documentation is required when:
 - i. There are system controls that minimize errors. Examples are transactions that have workflow associated with them. These transactions are reviewed and approved by someone other than the initiator before it posts to the general ledger.
 - ii. The transactions can be fully documented in the system itself. Comments describing the transaction and its purpose as well as the operator ID of the person who initiated the transaction are available in the on-line system. The transaction can be audited from the system itself.
 - II. Increased documentation is required when the transaction:
 - i. is for a large dollar amount.
 - ii. is part of a legally binding contract.
 - iii. is created via the purchasing card.
 - iv. in part of the procurement process.

- v. pertains to personnel actions.

B. Reconciliation

1. Ledger summaries and supporting detail ledgers are provided to departments on a monthly basis and can be run more frequently through the FIT cube. These ledgers provide the department with information regarding their financial operations and conditions. They also are used by department fiscal staff to verify or check to ensure that the information they contain is accurate and reliable. This process is often referred to as “Reconciliation” and is an important overall University control process. This process must be performed at least monthly after the ledgers are received.
2. Since department size and complexity varies significantly, there is not one set of specific fiscal procedures that fits all departments. However, there are certain important fiscal requirements that all departments are required to meet. These requirements help ensure that management is properly informed of their fiscal operations and condition, but that proper controls are in place to ensure that revenues are maximized, prudently spent, that University funds are properly safeguarded, and that proper accountability is maintained.
 - Reconciliation to source documents is required to be performed for all transactions \$100 and over.
 - For transactions under \$100, reconciling consists of spot checking at least 25% of the budgetary cost center transactions to the source documents.
 - Contracts and Grants funds need reconciliation at a more detailed level.
3. The reconciliation process is accomplished by tracing summary ledger information to detail transaction ledger (from myUFL) information and then to appropriate supporting documentation to ensure the accuracy of the financial information contained in the ledgers. Departments must ensure that all financial data on their ledgers is traced or checked back to the source documentation (ex: receipts, billings, expenditures, encumbrance changes, transfers, budget changes, etc.). Departments must ensure that only appropriate transactions are charged or recorded against their budgetary cost center and that adequate documentation to support all transactions is maintained in the department. Department Business Administrators are responsible for identifying financial problems and resolving errors before the following month end. It is critical the Department Business Administrators understand the transaction information contained in their ledgers.
4. Appropriate documentation must be retained to support the reconciliation process has been performed and an audit trail maintained. All reconciliation documentation must be kept for the current and two prior fiscal years.

3.9 GRANT EXPENDITURES

Definitions

DIRECT COSTS

Costs that can be identified specifically with a particular sponsored award, an instructional activity, or any other institutional activity, or that can be directly assigned to such activities relatively easily with a high degree of accuracy. Costs incurred for the same purpose in like circumstances must be treated consistently as either direct or indirect costs. Where an institution treats a particular type of cost as a direct cost of sponsored awards, all costs incurred for the same purpose in like circumstances shall be treated as direct costs of all other activities of the institution.

DOCUMENTATION

Detailed explanation and support documents as evidence to substantiate allocability, allowability, and reasonableness for a specific transaction.

FEDERAL SPONSORED AWARD

Any Federal grant, contract, or cooperative award received directly by the University of Florida as well as subawards received by the University under Federal Sponsored Awards to other organizations.

INDIRECT (F&A) COSTS

Costs incurred for common or joint objectives [of the University] and not readily assignable to a particular sponsored award, instructional activity or other institutional activity, without effort disproportionate to the results achieved. "Facilities" is defined as depreciation on buildings, equipment and capital improvement, interest on debt associated with certain buildings, equipment and capital improvements, and operations and maintenance expenses. "Administration" is defined as general administration and general expenses such as the director's office, accounting, personnel and all other types of expenditures not listed specifically under "Facilities".

For additional definitions related to the chart of accounts or chartfields, see:
<http://www.fa.ufl.edu/directives-and-procedures/accounting-and-reporting/>

Guiding Principles

The guiding principles or criteria from the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards; Final Rule – 2 CFR Part 200 (i.e., the Uniform Guidance) shall be used to determine whether a cost can be charged to a Federal Sponsored Award. All factors must be met for a cost to be allowable to be charged to a Federal Sponsored Award. In addition to the principles of reasonableness, allocability, and consistent as further described below, all charges must also:

1. Conform to any limitations or exclusions in the Federal award as to types or amount;
2. Not be included as a cost or used to meet cost sharing or matching requirements of any other Federal Sponsored Award; and
3. Be adequately documented.

Reasonable

A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost. For a cost to be considered reasonable, it must be:

1. Recognized as necessary for the performance of the Federal Sponsored Award;
2. Consistent with the requirements imposed by arms-length bargaining, federal or state laws and regulations, and ethical business practices, and terms and conditions of the Federally Sponsored Award;
3. Consistent with market prices for comparable goods or services for the geographic area;
4. Related to an action and/or in an amount deemed within the norms of business conduct (i.e., passes the “prudent person” test); and
5. Consistent with established practices and policies regarding the incurrence of costs, which may unjustifiably increase the Federal award's cost.

Allocable

A cost is allocable to a Federal Sponsored Award if the goods or services involved are chargeable or assignable to that Federal Sponsored Award in accordance with the relative benefits received. For a cost to be considered allocable, it must:

- Be incurred solely to advance the work under a Federal Sponsored Award, or
- Benefit both the Federal Sponsored Award and other work of the institution, in proportions that can be approximated through the use of reasonable methods; and
- Be assignable to the benefiting activities without undue effort or cost.

Any cost allocable to a Federal Sponsored Award may not be charged to other sponsored awards to overcome fund deficiencies, to avoid restrictions imposed by Federal statutes, regulations, or terms and conditions of the Federal Sponsored Award, or for other reasons.

Proportional Benefit Rule

Under some circumstances, a direct expense may benefit two or more sponsored awards or activities. When the cost's proportional benefit towards each sponsored award and/or activity can be determined without undue effort or cost, then the cost should be allocated based on the proportional benefit. If a cost benefits two or more projects or activities in proportions that cannot be determined because of the interrelationship of the work involved, the costs may be allocated on any reasonable documented basis. Where the purchase of equipment is specifically authorized under a Federal Sponsored Award, the costs are assignable to the Federal award regardless of the use that may be made of the equipment or other capital asset involved when no longer needed for the purpose for which it was originally required.

Consistent in Treatment

For a cost to be considered consistent in treatment, it must:

- Be consistent with policies and procedures that apply uniformly to both Federal Sponsored Awards and other activities of the University; and
- NOT be assigned to a Federal Sponsored Award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the Federal award as an indirect cost.

Thus, since certain types of costs, such as the salaries of administrative and clerical staff, office supplies, and postage are normally treated as indirect costs, the same types of costs cannot be charged directly to Federal Sponsored Awards, unless the circumstances related to that award are clearly different from the normal operations of the institution. For salaries of administrative and clerical staff, these costs must be specifically included in the proposal budget or have prior written approval of the Sponsor.

Direct-Charging Practices

UNACCEPTABLE PRACTICES

Some practices are unacceptable because they do not meet federal standards for assigning costs to Federal Sponsored Awards with a high degree of accuracy. Examples include:

- Rotating charges among sponsored awards without establishing that the rotation schedule credibly reflects the relative benefit to each sponsored award
- Assigning charges to the Federal Sponsored Award with the largest remaining balance
- Charging the budget amount rather than charging based on actual usage
- Assigning charges to a Federal Sponsored Award in advance of the time the cost is incurred
- Identifying a cost as something other than what it actually is (use of an incorrect Account Code).
- Charging expenses exclusively to Federal Sponsored Awards, when the expense has supported other activities.
- Assigning salaries for personnel that are assumed to be part of the normal administrative support of the institution (e.g., accounting, payroll).
- Assigning charges to the Federal Sponsored Award that will be ending the soonest.

ACCEPTABLE PRACTICES

The following are examples of acceptable direct costs, as long as they meet the Guiding Principles under section 2 above and are identifiable to a particular Federal Sponsored Award. If a cost cannot be so identified, it cannot be directly charged.

Personnel Costs

Researcher, technician, graduate student and postdoctoral salaries and fringe benefits may be directly charged in proportion to the amount of time anticipated to spend on the Federal Sponsored Award. Only in the case of personnel can budget estimates be charged. Any deviation longer than one to two months from the estimated amount must result in adjustments to the salaries charged. All charges must be certified each semester in the University of Florida's Effort Reporting System.

Non-Personnel Operating Expenses

Laboratory Supplies, field supplies, animal care costs, travel costs, technical and scientific equipment (and related maintenance agreements) and other expenses must be clearly identified with the work of a Federal Sponsored Award.

Note: Supplies drawn from a common stock or inventory may be charged directly to a Federal Sponsored Award if their allocability to the Award is recorded at the time of withdrawal. All such costs must be charged to the sponsored award based on anticipated usage at the time of withdrawal.

Direct Charging Costs that are Normally Treated as Indirect (F&A) Costs

The Uniform Guidance, codified at 2 CFR 200, incorporates the Cost Accounting Standards (CAS) 48 CFR 9905.501, 9905.502, 9905.505, 9905.506 and requires that administrative and clerical salaries as well as non-salary cost items such as office supplies, postage, local telephone costs, subscriptions and memberships should normally be treated as indirect (F&A) costs. The University blocks certain account codes from being direct charged to Federal Sponsored Awards. Details of the account codes are posted at: Charging Costs Directly or Indirectly to Federally Funded Sponsored Projects

When circumstances of a Federal Sponsored Award are not like other activities of the institution and therefore warrant direct charging of these to the Federal Sponsored Award, the Principal Investigator should request a CAS Exemption. Approval of this exemption allows direct charging of specific items that are normally treated as indirect (F&A) costs. The Division of Sponsored Programs (DSP) reviews the requests and makes a final determination of allowability.

NOTE: FIXED PRICE AWARDS require pricing based upon the cost principles established in section 2 above. The University will require budgets detailing the pricing for fixed priced awards. However, federal regulations state that once the price is determined, there will be no review of expenses incurred. Therefore, the block on all Group 1 items outlined in 3.3.2 below will not be established in the accounting system. All Group 2 cost items will require a CAS Exemption.

PERSONNEL

In conducting research, teaching, public service and other objectives, academic units clearly require administrative and clerical support to complement the technical and professional personnel who carry out these activities. Although it is known that there are variations across campus, each unit has a core of administrative/clerical personnel who provide a range of general support services including secretarial assistance, the procurement of materials and services, accounting and bookkeeping, and payroll and personnel. This “core” comprises what the government defines as “departmental administration” and their costs are recovered in part by the institution through the reimbursement of indirect costs. Accordingly, the salaries of personnel engaged in providing this type of departmental support cannot be directly charged to Federal Sponsored Awards.

- There are specific job codes in the myUFL accounting system that represent the positions that typically provide these services and therefore are blocked from being charged to Federal Sponsored Awards. Those job codes are listed at: <http://www.fa.ufl.edu/departments/cost-analysis/costing-guidelines-and-policies/myufl-job-codes-not-to-be-direct-charged-to-federal-awards/>

Administrative and clerical salaries may be approved to be direct charged to a Federal Sponsored Award only if all of the following conditions are met and a CAS Exemption is approved.

- Administrative or clerical services are integral to the performance of the scope of the Federal Sponsored Award.
- The services performed can be specifically identified with the Federal Sponsored Award.
- Such costs are explicitly included in the budget and justified in the budget narrative as integral to the performance of the Federal Sponsored Award. A minimum of 20% FTE is required. If less than 20% FTE is included, special circumstances must be clearly indicated. If not included in the awarded budget, prior written approval of the Sponsor's grant or contract officer is required.
- The costs are not also recovered as indirect costs.

OPERATING EXPENDITURES

Items such as office supplies, computers, postage, telephone costs and memberships shall normally be treated as indirect costs. However, if "they can be identified specifically with" the Federal Sponsored Award or can be assigned to its activities "relatively easily and with a high degree of accuracy", they may be approved for direct charging. Assignment of such costs through a general departmental "tax" would not typically be close or clear enough to justify them as direct costs.

Group 1

Group 1 cost items listed below will be permitted only when the items being requested can be clearly demonstrated as being essential or necessary and allocable for the completion of the scope or work being supported by the Federal Sponsored Award.

- o Audio Visual Supplies and Devices
- o Cell Phones and Service Plans
- o Memberships and subscriptions: Memberships in professional or scholarly societies and subscriptions to scholarly publications costs are seldom directly necessary for the performance of a Federal Sponsored Award. They provide general, ongoing benefits to members/subscribers akin to continuing professional education. In the case of subscriptions, the University of Florida library is presumed to provide access to scholarly publications.
- o Local telephone charges: Restricted to circumstances when a separate, dedicated telephone line is necessary for the performance of the Federal Sponsored Award.
- o General office and computer supplies including paper, binders, pencils, pens, file folders, printer cartridges and staples should be restricted to only those Federal Sponsored Awards for which usage can be documented to significantly exceed normal administrative operations.

o General purpose software: **Only software and licenses** that are: required for the completion of the scope of the Federal Sponsored Award; that is outside the software that is required for typical administrative tasks (i.e. Microsoft Products); and that can be allocated according to the principles in section 2 above may be directly charged.

o Postage charges are restricted to Federal Sponsored Awards with high demand as described in the budget narrative. **Only that postage actually used in the performance of the** Federal Sponsored Award or a documented, reasonable allocation between awards may be directly charged. A postage meter or log should be used. Shipping costs are not classified as ordinary postage and are acceptable direct costs.

o General Purpose Equipment, including Computers and Accessories: General Purpose Equipment is defined as “Equipment that is not limited to research, medical, scientific, or other technical activities. Examples include office equipment and furnishings, telephone networks, air conditioning equipment, reproduction and printing equipment, and motor vehicles.”

- *Computers, desktops, laptops, tablets, and other computer related devices, are considered General Purpose Equipment and may be direct charged only when there is a clear method of linking the computer to the scope of the Federal Sponsored Award and a reasonable method of allocation of the computer’s cost amongst all activities for which it will be used. Charging as direct costs is allowable for devices that are essential and allocable, but not solely dedicated to the performance of a Federal Sponsored Award.*

o Uniforms

Group 2

Group 2 cost items listed below will be permitted only when the items have been included in the budget and/or budget narrative of the application resulting in funding under the Federal Sponsored Award and are clearly allocable to the Federal Sponsored Award.

Awards & Commendations	Entertainment Expense	Laundry Services	Small Hand Tools
Accounting Services	Entertainment Services	Legal Services	Steam
Bank Fees	Event Tickets	Library Resources	Utilities - Resale
Books & Publications – Non Library	Electricity	Linens	Utilities – Other
Building – Supplies	Electronic Data Subscriptions	Moving Costs	Utilities – Tax
Building – Maintenance Contracts	Food & Beverages	Natural Gas	Utilities – Reimburse
Building – Modular	Fax Machines	Office Equipment	Vehicles >\$4,999

Building – Repairs	Garbage Collection	Pagers	Water
Cable Television	Insurance – University	Photocopying	
Chilled Water	Janitorial Services	Prof Licenses	
Dorm Furniture	Land Purchase	Sewage	

There are specific Account Codes in the university’s accounting system that represent these items. These account codes are blocked from being direct charged to a Federal Sponsored Award. The account codes are listed at: <http://www.fa.ufl.edu/departments/cost-analysis/costing-guidelines-and-policies/charging-costs-directly-or-indirectly-to-sponsored-projects/>

Budgets

Budgets must be realistic estimates of all costs required to complete the scope of work outlined in the Federal Sponsored Award. The budget should express the intent of the Principal Investigator and should not be designed by an administrator without the Principal Investigator’s participation and approval.

BUDGETS

All sponsored awards, including fixed price awards, will require budgets at least at the categorical level. All budgets should include both direct and indirect costs. Indirect costs should be included per the University’s F&A Cost Policy and Directives & Procedures.

REBUDGETING

Rebudgeting of awarded funds is allowable if there is a legitimate need to redirect budgeted costs, provided the rebudgeting conforms to the sponsor’s guidelines and is consistent with the university’s disclosed accounting practices. Rebudgeting is not allowed for the purpose of relieving financial pressure on a department’s unrestricted budget or on other Federal Sponsored Awards, nor to assign costs that could not otherwise be assigned.

Care should be taken when rebudgeting costs that do not incur indirect costs. When rebudgeted to items which incur indirect costs, the overall availability of direct funds is reduced.

Responsibility for Compliance

PRINCIPAL INVESTIGATOR

Responsibility for scientific and budgetary decision-making in Federal Sponsored Awards and for following the University of Florida guidelines is assigned to the Principal Investigator. The Principal Investigator is responsible for giving the college, department or division instructions on specific allocation of funds. Such instructions must comply with the guidance outlined in this document.

COLLEGE/DEPARTMENT/DIVISION

The college, department or division is responsible for implementing and monitoring compliance with these guidelines. They are also responsible for providing Principal Investigators with the information necessary to fulfill their fiduciary and sponsored award management responsibilities.

The college is responsible for clearly delineating the division of responsibilities between the college and its departments and divisions. The college, department or division must maintain documentation that will permit auditing by internal or external auditors. This documentation should be stored in institutional systems (i.e. attached to the voucher in myUFL), rather than in local systems, wherever possible.

University of Florida

The University accepts responsibility for creating uniform rules of conduct relating to management of sponsored programs and assuring compliance with the rules of such programs. No matter how flexible, these guidelines will require substantial attention and effort in their implementation. The University of Florida's administration realizes that day-to-day responsibility for compliance rests with the Principal Investigators and unit fiscal personnel.

The University accepts responsibility for developing a set of operating principles and guidelines that comply with federal regulations, and that among other things, clearly delineate those sponsored program expenses it identifies as direct costs and indirect costs. It takes responsibility for disseminating this information to all University of Florida faculty and staff, whether their work is supported by governmental or non-governmental sources. The University administration takes responsibility for overseeing the implementation of these principles and guidelines.

DIVISION OF SPONSORED PROGRAMS

The Division of Sponsored Programs supports the University in its mission to ensure fiscal integrity by reviewing all requests for exemptions allowing normally indirect costs to be charged directly. The

Division will engage in creation and update of all policy and procedures regarding Cost Principles. The Division will assist in the development of training and educational materials related to Cost Principles.

CONTRACTS & GRANTS ACCOUNTING SERVICES

The Office of Contracts & Grants Accounting Services (C&G) supports the University in its mission to ensure fiscal integrity by reviewing all transactions posted to sponsored awards at least annually. C&G will engage in creation and update of all policy and procedure regarding Cost Principles and will assist in the development of training and educational materials related to Cost Principles.

OFFICE OF COST ANALYSIS

The Office of Cost Analysis supports the University in its mission to ensure fiscal integrity performing quality assurance reviews of departments and the University's fiscal transactions. The department reviews items of cost to allocate to the appropriate cost pools during the indirect cost proposal development. Cost Analysis

will engage in creation and update of all policy and procedures regarding Cost Principles and assist in the development of training and educational materials related to Cost Principles.

UF Policy on Cost Transfers Involving Sponsored Awards

Responsible Office: Office of Contracts & Grants Accounting **Effective Date:** July 1, 2010

Revisions dated: October 4, 2013

PURPOSE

The purpose of this policy is to ensure that transfers of costs on to sponsored awards are appropriate and timely.

POLICY

Costs should be charged to the appropriate sponsored project when first incurred. There are circumstances, however, in which it may be necessary to transfer costs on to a sponsored project after the initial recording of the cost. These “cost transfers” require monitoring for compliance with UF policy, Federal regulations, sponsor requirements and applicable cost principles.

Costs can only be charged to a sponsored project if they are:

- Reasonable - A prudent person would have purchased the item and paid that price.
- Allocable – Charges must support the sponsored project and must be at a rate that reflects the documented

proportional use by the sponsored project.

- Consistently Treated - Expenses for similar purposes must be treated the same way (throughout the university) under like circumstances.

- Allowable - The expense must not be specifically excluded by government regulations (see OMB Circular A-21) or by the sponsor’s requirements.

Transfers based on funding availability are prohibited. Therefore, costs cannot be transferred to use up remaining funds or to correct overruns from a different award. PI’s are expected to periodically review charges throughout the life of a sponsored project to identify any errors and make necessary corrections in a timely manner.

TIMELINESS

- Only in the case of exceptional circumstances will cost transfers (including payroll reallocations) be permitted more than 90 days after the original charge or, for labor charges, 90 days after effort certification. Exceptional circumstances include late awards with retroactive start dates. The reasons for a cost transfer over 90 days after the original charge must be documented in detail and will be reviewed by the Chief Financial Officer or his/her designee.
- A salary cost transfer after effort certification will typically require recertification of an effort statement.
- Cost transfers to correct an error that benefit the Sponsor and cost transfers to remove unallowable charges must be processed as soon as discovered, regardless of timeframe.

ADEQUATE DOCUMENTATION

All cost transfer requests require written justification. All corrections of errors must be accompanied by an explanation of how the error occurred and how the costs being charged benefit the sponsored project. For non- salary transactions, the appropriateness of the correction to the receiving project must be certified by the principal investigator. For salary transactions, the appropriateness to the receiving project will be certified through the effort certification process.

4. Microbiology and Cell Science Department (MCS) Specific Procedures

All department specific procedures follow the guidelines set forth in the university policies and procedures and are to be amended as required by changes in university policy.

Fiscal and administrative staff position descriptions should be consulted for more in depth information regarding items

In addition to the university policies and procedures, topic specific instructional guides are available on myUFL.

REVENUES AND COLLECTIONS

The department receives the following types of revenue:

- a) Annual teaching (fund 101) and research (fund 103) budgets funded by state appropriations. After being released in PeopleSoft by the IFAS Budget Office and the office of the Dean for Research, these budgets are recorded in the department's shadow system by the department Manager, Finance position #00014697 who is also responsible for monitoring expenditures and all financial functions related to these budgets while using best business practices as dictated by the university.
- b) Material & Supply Fees (Fund 162) and Equipment Fees (Fund 163)
The department collects Material & Supply Fees and Equipment Fees paid by students enrolled in certain courses (predominately laboratory courses) which assess these fees per university guidelines. The Manager, Finance relays the amount of fees to be collected each semester based on enrollment to the teaching lab faculty and technician who are responsible for purchasing all materials and replacement equipment required for these courses. It is the Manager, Finance's responsibility to monitor these accounts to ensure that all student fees are spend down to a minimum of 15% of the amounts collected each semester as mandated by university policy. These fees are reviewed with the teaching lab faculty and technician and recalculated each semester. Any changes to fees are submitted to university budget office for inclusion in course offering publications.

c) Distance Education Revenue (Fund 143)

The department initiated a distance education program commencing with the Fall 2011 semester. All tuition and related fees are collected via the normal university processes. The Manager, Finance compares and reconciles tuition revenue received using student enrollment records and PeopleSoft queries which provide University Financial Services tuition collection figures.

d) Contracts and Grants Revenue (Funds 201 and 209)

Principal Investigators receive funding in the form of sponsored research projects. All grant transactions are monitored by the Manager, Finance and the Financial Analyst II, position #00024295, who work closely with the PIs as well as UF Awards Administration, and Contracts and Grants Accounting to ensure proper recording of all budgets and expenditures per university and sponsor guidelines.

e) Return of IDC (Fund 211), Residuals (Fund 212), and Royalties (Fund 213)

These cash based funds are used for research related expenses not necessarily allowed to be allocated to a sponsored research project.

PAYROLL AND PERSONNEL ADMINISTRATION

The department Administrative Support Assistant II, position # 00014695, is responsible for all functions in this area. These include entering new employees and related payroll distributions into the university system, processing approved time cards, vacation and leave slips as well as termination paperwork. All time and leave slips have been signed by applicable supervisory personnel. **Payroll is reviewed and approved by the Manager, Finance.**

Personnel tasks also include processing graduate letters of appointment and tuition waivers. Faculty activity reporting, effort reporting, and space reporting are also responsibilities of the payroll and personnel administrator. This area also works with C&G accounting on cost-sharing recording and reporting. **All personnel records are safeguarded per university policy.**

PURCHASING, AND DISBURSEMENTS

These functions are performed by the Fiscal Assistant II, position #00015410 with part-time assistance from OPS personnel, supervised by the Financial Analyst II. Role specific training is required for these functions and all purchasing and disbursement transactions must follow university policies and procedures listed in section 3.3 of this document. Additionally, all contracts must be approved by the contract specialists in university purchasing. Additional information can be found at purchasing@ufl.edu. Questions regarding

Pcard transactions, purchase orders, contracts, etc. which can not be answered by the Manager, Finance are to be addressed by the Pcard team or the university's purchasing department.

ASSET MANAGEMENT

The functions related to asset management are performed by the Fiscal Assistant II. Decals are issued by Asset Management for all capitalized equipment purchases. These decals are placed on the equipment in an area accessible for scanning during the annual inventory. Scanning is to be performed by someone other than the property custodian. MCS, according to university guidelines, inventories all capitalized equipment (cost exceeds \$5,000) on an annual basis. Older obsolete items are surveyed out and missing items are reported according to university policy.

Sensitive/Attractive Items: Since the capitalized threshold has been increased to \$5,000 from \$1,000 many items are no longer inventoried. To counteract this, the MCS fiscal office is keeping internal records of all laptops, desktops, peripheral items and other electronic devices. These items will be inventoried by the department IT Professional I on an annual basis. Any missing items will be investigated by the fiscal office and the IT Professional I. Additions and deletions must be reported by holders to the fiscal and IT offices. Similar items found in the teaching labs have been inventoried and listed. Inventories of these items are to be done at least annually if not each semester and counts are forwarded to the Manager, Finance. Any discrepancies from prior counts are investigated.

TRAINING

All new TEAMS employees are expected to attend New Employee Orientation within their first month of employment.

New and existing employees are required to partake in university sponsored training sessions required per their position description and associated security roles. Training is also required whenever the university upgrades or modifies an existing procedure.

University training is available via an array of media and formats. This information can be found on the university HR website and in myUFL. All fiscal and administrative employees are strongly encouraged to utilize the topic specific instructional guides available.

All Pcard holders are required to complete training on an annual basis. The Manager, Finance sends out training reminders annually to Pcard holders.

EFFORT REPORTING

It is the responsibility of the payroll/personnel administrator to work with faculty to accurately report effort on the university's new online effort reporting system.

FUEL AND VEHICLE USAGE

MCS currently owns the following 5 vehicles:

Dodge Caravan #5085, located in Gainesville, FL

Chevy Lumina Van #0627, located in Gainesville, FL

Ford Pickup #1270, located in Gainesville, FL

Ford Escape #4675, located in Gainesville, FL

Chevy pickup truck #4724, located in Gainesville, FL

Vehicles may be used for official department business only.

Vehicles are to be operated only by MCS employees whose driver's licenses are on file with the personnel administrator.

It is department policy to reserve the Gainesville vehicles using the department's online reservation application at <http://microcell.ufl.edu/support-web-applications/mcs-cars-reservation-system/>

Logs are kept for each vehicle to record users, their destinations, and their related mileage. A log sheet attached to a clipboard is left in each vehicle so that the information can be easily left by each driver for each trip. When the last line of the log sheet is filled in, a user returns the sheet to the department secretary located in the administrative office. New log sheets are promptly placed in the vehicle. The sheets are chronologically filed by vehicle in a binder and retained for the time period required by state statute.

Maintenance Issues and Fuel: All vehicle problems are to be reported by drivers to the Fiscal and Administrative office who will promptly contact motor pool. No vehicle is to be driven until any potential mechanical or safety issue has been resolved by motor pool.

It is the chair's policy that all vehicles are to be refueled when the tank gage reaches 1/4 in order that a new user is never faced with an empty tank.

RECONCILIATION OF LEDGERS

The Financial Analyst II downloads general ledgers and supporting reports each month for all department funds and projects as they become available from enterprise systems. These reports are reconciled, by the Financial Analyst II, on a monthly basis, with the department's shadow system which includes review of original source material. Any discrepancies are thoroughly investigated by the Financial Analyst II and the

Manager, Finance. If required, correcting journal entries are processed per university and C&G guidelines. Any report errors are promptly brought to the attention of enterprise systems.

Explanation of shadow system:

The fiscal office maintains Microsoft Excel files for each MCS state appropriated fund, cash based funds, and each sponsored research related project (funds 201 and 209). These files are set up by fiscal staff whenever a new MCS fund or project comes into existence. All transactions (budget, budget encumbrances, and expenditures) affecting these funds and projects are recorded on the excel sheet by the Accountant II and office OPS workers as they occur from original source materials. See also section 4.3 for further detail on purchasing and disbursement procedures.

Principal Investigators are encouraged to review the shadow system and monthly generated enterprise systems reports in order to stay abreast of their project balances and activity. The Manager, Finance meets with all PIs on a regular basis to discuss the financial activity related to each project.

GRANT EXPENDITURES

All grant expenditures must be reviewed per sponsor guidelines for allowability, reasonableness of cost, and allocability before being charged to a particular project. The department chair, PI, and C&G accounting are to be contacted immediately if an expenditure does not meet these criteria.

Rules and regulations for expenditures and related discussions can be found in OMB Circular A-21, DSR and the university's finance and accounting websites.

TRAVEL

All MCS employees who are planning to travel on university official business must complete the department's online "Travel Authorization Request" form (TAR). This form is accessed through the department's webpage, www.microcell.ufl.edu. All trips must be approved by the department chair via this form so that the traveler is covered under the university's insurance.

It is the traveler's responsibility to submit all receipts and paperwork to the fiscal office in accordance with university guidelines. The Accountant II position processes travel for the department.

STAFF EVALUATIONS

Fiscal and administrative personnel are evaluated annually as mandated by university policy. The Manager, Finance evaluates the Financial Analyst II, Administrative Support Assistant II, Accountant II, Fiscal Assistant II. The Manager, Finance and IT Professional I are evaluated by the chair. At evaluation time each job description will be reviewed and amended as necessary. Additionally, commencing with the 2012 reviews,

internal control checklists pertaining to particular job functions will be reviewed by the Manager, Finance with the relevant employees. All job descriptions are reviewed annually and updated as needed.

UNIVERSITY OF FLORIDA LABORATORY SAFETY

UF's Environmental Health and Safety Unit has a Department of Laboratory Safety.

The Lab Safety Program is responsible for safety and environmental compliance within research and teaching labs throughout UF facilities. Their focus is to provide proactive direction for labs with safety issues and to facilitate compliance.

This is a link to their UF web page: <http://www.ehs.ufl.edu/Lab/default.asp>

This is a link to their Laboratory Safety Manual web page: <http://www.ehs.ufl.edu/Lab/LabSafe.pdf>

The principal investigator (P.I.), laboratory supervisor or manager has the responsibility for controlling hazards in her/his laboratory. This shall include:

1. Completing a hazard assessment for all procedures
2. Instructing laboratory personnel on potential hazards
3. Correcting work errors and dangerous conditions
4. Encouraging a positive attitude towards safety
5. Selecting the proper personal protective equipment (PPE) and ensuring that it is worn and used correctly
6. Maintaining compliance with all applicable UF safety programs
7. Investigating the circumstances surrounding a laboratory accident and taking steps to avoid recurrence
8. All labs having annual training and safety updates
9. Equipment such as freezers, refrigerators and microwaves being labeled as to purpose of use

NO STUDENT OR EMPLOYEE IS TO OPERATE EQUIPMENT WITHOUT PROPER TRAINING AND SUPERVISION, IF REQUIRED.

ALL LAB PERSONNEL MUST BE PROPERLY ATTIRED, (e.g., closed toe shoes, goggles, eye glasses, lab coats, etc.)

UNIVERSITY OF FLORIDA EMERGENCY MANAGEMENT PLAN

The Emergency Management Plan is intended to establish policies, procedures and organizational structure for response to emergencies that are of a magnitude to cause a significant disruption of the functioning of all or portions of the University. This plan describes the roles and responsibilities of departments, schools, units and personnel during emergency situations. The basic emergency procedures are designed to protect lives

and property through effective use of university and community resources. Since an emergency may be sudden and without warning, these procedures are designed to be flexible in order to accommodate contingencies of various types and magnitudes.

Through the use of annexes, this Emergency Management Plan addresses several specific types of emergencies on an individual basis, providing guidelines for the stabilization and recovery from the incident. These include emergency instructions and references in a concise format for the individuals designated to manage University resources.

This link connects to the full university Emergency Management Plan:

<http://www.ehs.ufl.edu/disasterplan/UFEMP.pdf>

This link connects to a wide variety of IFAS resources on disaster preparation and recovery:

http://solutionsforyourlife.ufl.edu/disaster_prep/

The Personnel Administrative Assistant maintains a hard copy manual of disaster preparation and recovery in his/her office. A weather radio is also located in the administrative office. Employees must adhere to any emergency university directives broadcast on the university phone system.

MISCELLANEOUS

The department's regular work schedule is Monday- Friday 8:00 a.m. – 5:00 p.m. Any deviation from this schedule must be approved by the employee's supervisor.

All employees are required to be appropriately attired for the workplace.

5. Internal Control Checklist

The objective of the Internal Control Checklist is to provide the campus community with a tool for evaluating their internal control structure and general compliance, while also promoting effective and efficient business practices. The effective utilization of this checklist will strengthen controls, improve compliance, and eliminate many potential audit comments.

Questions and Answers

What is Internal Control?

Internal control in its broader sense is defined as a process affected by an organization's board of directors, management and other personnel, designed to provide reasonable assurance regarding the achievement of objectives in the following categories:

- Effectiveness and efficiency of operations
- Reliability of reporting
- Compliance with applicable rules, laws and regulations

Internal Control components include Control Environment, Risk Assessment, Control Activities, Information and Communication and Monitoring.

Most of the time, the emphasis is on common control activities which may include the following:

- Segregation of functional responsibilities to create a system of checks and balances
- A system of authorization and record procedures adequate to provide reasonable accounting control over assets, liabilities, revenues, and expenditures
- Development of policies and procedures for prescribing and documenting the business and control processes. This should consist of a well thought out strategy and be reviewed and adjusted periodically to reflect changes in the business and control environment

Are there policies or principles established by the University of Florida regarding internal controls and financial management?

The University of Florida and its governing board adopted the Guiding Principles of Financial Management and Internal Control Principles.

What is Internal Control?

For purposes of this document, legal and managerial compliance is simply intended to refer to compliance with the various laws, rules, policies, directives, and procedures that prescribe the guidelines and parameters that we must operate within. Some of these are self-imposed to ensure effective business and/or control practices. Legal and managerial compliance requirements which govern how we operate include, but are not limited to the following:

Federal Constitution, Laws, and Regulations

Florida Constitution, Statutes, and Administrative Code

University of Florida Board of Trustee Policies, Resolutions, and By-laws

University of Florida Finance and Accounting Directives and Procedures

University Controller Memoranda

Departmental Polices and Procedures

How can I operate more efficiently?

There is no pat answer to this question. Obviously, skilled, well-informed and motivated faculty and staff is an important ingredient to an effective operation. Staff should be provided adequate training opportunities and understand what is expected of them. Good lines of communications are important.

With the fast pace of changes in technology, coupled with changes in regulatory compliance requirements and staff turnover, it is usually useful to review the various processes from time to time asking why the various tasks are being performed and determining if the tasks add any value to the process, or if there is a better way to accomplish them.

Examining crises that have occurred in the past is often a useful way of preventing them in the future. Reviewing the structure or operations of similar organizations may also provide ideas on how to improve your organization.

How do I use the checklist?

The checklist is simply a tool similar to what most auditors might use if they were performing a review of your department's internal controls. **The checklist should be completed by management accountable for the particular business process.** While "no" responses would normally indicate a potential weakness, this could be off-set by "compensating" controls within the unit. It is difficult to make a statement regarding a particular control based on the response to just one question. Most internal control procedures are simply based on "common sense", i.e., the person having custody of the asset, such as cash, should not be solely responsible for accounting for it; no one person should be able to complete a requisition/payment transaction or personnel/payroll transaction from beginning to end without an appropriate monitoring or oversight. Incompatible duties should be segregated for a check and balance; laws and University policies and directives are expected to be followed. Despite the fact that many internal controls are a simple matter of common sense, taking the time to periodically use this checklist to review the control processes can be a valuable tool in the process and help document your due diligence.

See the Office of Internal Control Checklist.

What should we do if there isn't enough staff to segregate incompatible duties?

Some areas, by virtue of their size, are not able to implement basic controls such as segregation of duties without an unreasonable expenditure of funds e.g. costs of the control exceed the benefit of separating the duties. In these cases, it is important that management institute **compensating controls** to cover for the lack of a basic control. This protects the employees and the university.

Compensating controls are less desirable than the separation of duties internal control because they generally occur after the transaction is complete. Also, it takes more resources to investigate and correct errors and to recover losses than it does to prevent them in the first place.

Some examples of compensating controls include:

- A manager may perform a high level review of detailed report of transactions completed by an employee that performs incompatible duties.

- A manager may periodically select a sample of transactions, request and review the supporting documents to ensure that they are complete, appropriate, and accurately processed. This monitoring procedure should be documented.
- Increase supervisory oversight: Other forms of activities a manager may perform as compensating control are observation and inquiry. Where appropriate, increasing supervisory reviews through the observation of processes performed in certain functions and making inquiries of employees.
- Have someone from outside the area perform an external review of activities. For instance, if two separate areas don't have enough employees to separate duties, the two different areas may be able to share responsibilities or "check" each other.

 **What do we do if we identify potential control deficiencies or we have questions?**

Risks associated with potential control deficiencies may differ from unit to unit. The unit management is the first channel to address the implications of the deficiencies. Other resources may include the Controller's Office (sgable@ufl.edu) and the Office of Internal Audit (auditor@ufl.edu).