



## LOYOLA MARYMOUNT UNIVERSITY POLICIES AND PROCEDURES

DEPARTMENT: CONTROLLER’S OFFICE	
SUBJECT: PURCHASING & PAYMENT POLICY	Page 1 of 27
Policy Number: BF002.03	Supersedes: June 2013
Effective Date: May 2016	Date for next Review: January 2019
Approvals: Business & Finance Policy Steering Committee	

### 1 Statement of Policy

This policy outlines the definitions, authority, responsibilities, procedures, and guidelines for the procurement of goods and services at Loyola Marymount University. This is a university policy. Divisional and/or departmental policies may incorporate more rigorous guidelines.

This policy is in place to ensure the use of sound practices for all purchasing and payment activity in compliance with external regulators, including tax regulations under the Internal Revenue Code, federal cost regulations under the Office on Management and Budget (OMB) Circulars A-21 and A110, or Title 2 Part 200 of the Code of Federal Regulations (2 CFR 200) for federal awards issued on or after December 26, 2011, and donor or sponsor restrictions. Procurement Standards under 2 CFR 200 are effective for LMU beginning June 1, 2017.

The university's purchasing function is decentralized. The Accounts Payable’s Office does not approve purchases or reimbursements. Each division, department, or principal investigator must establish an approval process. Department heads and principal investigators may delegate authority except where specific signatures are required. Accountability lies in the departments. The Controller’s Office will report any violations of this policy to the appropriate manager. Establishing accountability within each area is a managerial responsibility. The purchasing objective is to obtain the best quality, price, and delivery of goods and services. This effort begins with identifying a need. Next, the division, department, or principal investigator (“department”) must determine whether a purchase, rental agreement, or lease will best fit that need. Lastly, Budget Managers must verify available budget before initiating the purchasing process.

Employees and departments are responsible for the proper coding and preparation of documents required for payment (invoices, expense reimbursement forms, etc.) via Concur. The Accounts Payable department processes payments for purchases (of goods and services) and expense reimbursements. The Payment section details the guidelines of

the payment process.

All purchases greater than \$25,000 require a contract or purchase order (which contains standard university terms and conditions).

**Contents**

1 Statement of Policy ..... 1

2 Definitions ..... 5

3 Purchasing Ethics ..... 7

    3.1 Ethical and Professional Conduct ..... 7

    3.2 Confidentiality ..... 7

    3.3 Conflict of Interest ..... 7

4 Vendor Relations ..... 8

    4.1 Competitive Bids ..... 8

    4.2 Sole Source (Single Vendor) ..... 9

    4.3 Vendor Credit Application Requests ..... 9

    4.4 Personal Purchases ..... 9

    4.5 Form W-9 ..... 9

    4.6 Form CA 590 ..... 10

5 Purchase Orders and Contracts ..... 10

    5.1 Purchase Orders ..... 10

6 Purchasing Authority and Levels ..... 10

    6.1 Sales and Use Tax ..... 11

    6.2 Contracts Review ..... 11

    6.3 Receiving of Goods and Services ..... 11

7 Non-Employee Compensation ..... 11

    7.1 Independent Contractors ..... 11

    7.2 Temporary Employees ..... 12

    7.3 Payments Made to Nonresident Aliens ..... 12

8 Preferred Vendors ..... 13

    8.1 Campus Graphics ..... 13

    8.2 Mobile Devices ..... 14

    8.3 University Bookstore ..... 14

    8.4 LLS Graphics ..... 14

    8.5 LLS Bookstore ..... 15

    8.6 LLS Mobile Devices ..... 15

    8.7 Office Max ..... 15

    8.8 Overnight Next day Shipping Carriers ..... 15

    8.9 Preferred Local Hotel Agreements ..... 16

    8.10 Preferred Car Rental Agreement ..... 16

9 Restricted Purchases ..... 16

    9.1 Catering ..... 16

    9.2 Coffee Service ..... 17

    9.3 Purchase of Chemicals ..... 17

    9.4 Facilities Management ..... 17

    9.5 Information Technology ..... 18

10 Business Meals ..... 19

11 Gifts and Hospitality ..... 20

    11.1 Gifts ..... 20

    11.2 Prizes and Awards ..... 21

11.3	Raffles and Games of Chance .....	21
11.4	Donations to Other Charitable Organizations .....	21
11.5	Hospitality .....	22
11.6	Entertainment .....	22
11.7	Employee Events .....	23
11.8	Documentation and Authorization .....	23
11.9	Expense Codes (Gifts and Hospitality) .....	24
11.10	Exceptions .....	24
12	Payment Policy .....	24
12.1	P-Card Payments .....	25
12.2	Check Disbursements .....	25
12.3	Electronic Payments .....	26
12.4	Cash Disbursements.....	26
12.5	Signature Stamps .....	27
13	Appendix .....	27
13.1	Website References .....	27

## 2 Definitions

<b>Accountable Plan</b>	A plan under which an employer reimburses an employee for expenses and is not required to report the reimbursement as taxable income to the employee. The employee must document business connection or purpose, substantiate expenses, and return any amount in excess of substantiated expenses to the employer within a reasonable period of time. Accountable Plan is an IRS term.
<b>Approved Purchaser</b>	An individual who has been given the authority to enter into an agreement with a vendor for the purchase of goods or services at agreed upon price and terms. In addition, the approved purchaser is responsible for ensuring that the prices of the goods or services are reasonable and competitive. Purchasers should always consider university <a href="#">Preferred Vendors</a> prior to entering into an agreement with a vendor. Each department should have a list of persons with appropriate approval authority.
<b>Approver</b>	The person who is responsible for charges to a particular account and have requisite skills to comply with University policy. The Department Manager may be the Approver or may designate this responsibility.
<b>Budget</b>	A highly detailed forecast of the university's expected revenue and expense stated on a fiscal year basis.
<b>Budget Manager</b>	The Budget Manager is the person responsible for performing financial functions for their respective college, school, or division. Included with this responsibility is the authority to review all expenditures for accuracy and compliance with university policy prior to approval.
<b>Concur</b>	The University's internet based system used for creating, tracking and automating expense reports and invoice payment processing.
<b>Contract</b>	A contract is a legally binding exchange of promises or agreement between parties that the law will enforce. A contract can be in written form, including email or text message promises, as well as oral form. Breach of contract is recognized by the law, and remedies can be provided.
<b>Department Manager</b>	The person who is responsible for approving spending and assigning the Approver. Generally, this will be the operational department manager (e.g., Registrar, Director of Athletics, Dean/VP).
<b>Form W-9</b>	The IRS form used to document information needed by a payer (the university) in order to file an accurate information return. The information required of the payee (a person who has provided services to the university) is name, address, taxpayer identification number (TIN), and citizenship status. Most often Form W-9 is required of independent contractors, consultants, and other self-employed workers.
<b>Form 1099</b>	The IRS information return form used to report various types of payments other than wages, salaries, and tips (for which IRS Form W-2 is required). The term information return is used in contrast to the term tax return although the latter term is sometimes used colloquially to describe both kinds of returns. A notable use of Form 1099 is to report amounts paid to independent contractors.
<b>Independent Contractor</b>	An individual who is not on the university payroll and has not been on payroll within the current calendar year who receives payment from the university, documented by issuance of an IRS Form 1099, and who generally meet the following conditions: <ul style="list-style-type: none"> <li>• Offers similar services to the general public on a consistent basis.</li> <li>• Provides services documented in writing.</li> <li>• Renders a service to the university for a specified amount of compensation for a specified result.</li> <li>• Performs services for which the university does not control the methods used to obtain the results.</li> <li>• The task or service being performed is outside of the regular course of the university's business purpose.</li> </ul> (Note: the IRS lists many more conditions; we have included only the most common here.)

<b>Non-disclosure Agreement (NDA)</b>	A document that is a legal contract between at least two parties (LMU and vendor) which outlines confidential materials or knowledge the parties wish to share with one another for certain purposes, but wish to restrict from general use. In other words, an NDA is a contract through which the parties agree not to disclose information covered by the agreement.
<b>Nonresident Alien</b>	Under U.S. tax laws, all non-U.S. citizens and non-permanent resident aliens are considered to be either “resident aliens” or “nonresident aliens” for tax purposes. Resident aliens are taxed on their worldwide income in the same manner as U.S. citizens. Nonresident aliens, however, are taxed only on income from U.S. sources under special rules. Residency status rules for tax purposes are
<b>Purchase Order (PO)</b>	A commercial document issued by a buyer to a seller, indicating the type, quantities and agreed prices for products or services that the seller will provide to the buyer. Sending a PO to a supplier constitutes a legal offer to buy products or services. Acceptance of a PO by a seller usually forms a contract between the buyer and seller; no contract exists until the PO is accepted. POs usually
<b>Reasonable Costs</b>	A cost may be considered reasonable if the nature of the goods or services acquired or applied, and the amount involved therefore, reflects the action that a prudent person would have taken under the circumstances prevailing at the time the decision to incur the cost was made.
<b>Reconciler</b>	The person assigned to review a department's charges and to ensure that charges are supported by proper documentation.
<b>Request For Proposals (RFP)</b>	A Request for Proposal (referred to as RFP) is an invitation for suppliers, through a bidding process, to submit a proposal on a specific commodity or service.
<b>Requisition</b>	1) Initiates the procurement process by defining an internal request to acquire services. It enables the user to define departmental needs by identifying the requestor, vendor, and accounting information. 2) Used to request payment where no invoice exists, e.g., an employee’s request for reimbursement for purchases or an honorarium payment to non-university personnel.
<b>Temporary Agency Worker</b>	An individual on the payroll of a temporary help agency who performs work for the university under terms of a contract between the university and the agency. The services of such workers are usually contracted for when urgent temporary assistance is needed.
<b>Vendor</b>	A supplier of goods or services of a commercial nature; includes but is not limited to manufacturers, importers, wholesale distributors, retailers, and independent contractors.

### **3 Purchasing Ethics**

#### **3.1 Ethical and Professional Conduct**

The university requires that those associated with the institution, as trustees, officers, faculty members, professional and administrative staff, and other employees, will conduct themselves ethically and in accordance with generally accepted standard business practices. The variety of relationships that have evolved between the university and the individuals, companies, community groups, and others require that persons representing the university conduct themselves at all times in a manner that will withstand the sharpest scrutiny. This requires that employees exercise a high degree of personal responsibility, integrity, and sound judgment.

#### **3.2 Confidentiality**

All confidential or proprietary information belonging to the university or its vendors should be handled with due care and proper consideration for ethical responsibilities, legal ramifications, and government regulations. Quotations, RFP's, and bids are considered proprietary information and are not to be revealed to competitors.

#### **3.3 Conflict of Interest**

A conflict of interest is considered to exist in any instance where an individual's actions or activities on behalf of the university also involve the obtaining of personal gain or advantage to the individual, to any member of the individual's family, business or professional associates, or cause an adverse effect on the university's interest. A conflict of interest can also result when an employee is prevented from exercising due care, skill, and judgment on behalf of the university in the performance of the individual's assigned duties

Please refer to Loyola Marymount University's Conflict of Interest for Administrative Personnel and Designated Faculty and Guidelines for Conflict of Interest for Faculty.

## 4 Vendor Relations

The relationship between the university and its vendors is very important. Some dynamics of this purchasing relationship are listed below:

- **Interviewing Sales Representatives:** University department personnel wishing to contact sales representatives may ask their department head for assistance. Unsolicited contacts from sales representatives should be referred to the department head's office.
- **Supply Sources:** Each department has the final authority to select a particular vendor except as noted in the [Restricted Purchases](#) section of this policy.
- **Selection of Vendors:** Vendors are selected for their ability to serve the needs of the university by providing quality products in the most economical and efficient manner possible. Past performance is an important factor. Vendors that are selected must agree with the terms and conditions of the university as set forth on the Purchase Order form. Vendors must sign a non-disclosure agreement when applicable.
- **Vendor Qualification:** Vendors doing business with the university should be carefully and continuously evaluated by each department office to ensure they meet LMU's standards and expectations.

### 4.1 *Competitive Bids*

In order to ensure fair consideration to vendors and provide the university with the lowest cost and highest quality product or service available, purchases for services, equipment, and capital expenditures over \$50,000 (with the exception of renovations in the Facilities Division where the threshold would be \$100,000) requires buyers to prepare a Request For Proposals (RFP) and solicit at least three bids prior to purchase and maintain documentation of these bids in their department's records. If three vendors are not available for a purchase transaction, refer to the requirements under the [Sole Source](#) section of this policy.

Annual services greater than \$50,000 require an initial RFP before contracting. For recurring annual services over \$50,000, an evaluation should be conducted and documented at least every five years, or at the end of the contractual period, to determine if an RFP should be pursued.

While RFP's are not required for purchases under \$50,000, the buyer still has the responsibility to competitively price goods and services.

## **4.2 Sole Source (Single Vendor)**

**Basis for sole source request:** A sole source purchase meets at least one of the following criteria:

- **One-of-a-kind** - The commodity or service has no competitive product alternatives available;
- **Compatibility** - The commodity or service must match existing brand of equipment for compatibility;
- **Replacement Part** - The commodity is a replacement part for a specific brand of existing equipment;
- **Research Continuity** - The commodity or service is needed to maintain research continuity;
- **University Standards** - The commodity or service must comply with established university standards;
- **Unique Design** - The commodity or service must meet physical design or quality requirements;
- **Delivery Date** - Only one supplier can meet necessary delivery requirements;
- **Emergency** - URGENT NEED for the item or service does not permit soliciting competitive bids, as in cases of emergencies, disasters, etc.

If the RFP process is not used, a Sole Source form must be submitted with a request to purchase.

## **4.3 Vendor Credit Application Requests**

On the Westchester campus, all vendor requests for university credit information should be forwarded to the Accounts Payable Manager for completion. On the Loyola Law School campus, all requests should be forwarded to the Fiscal Affairs office for completion.

## **4.4 Personal Purchases**

Employees are not allowed to use university funds for personal purchases. This includes purchases charged to the university's P-Card. All personal purchases should be handled directly with the vendor. Some of the university's vendors are willing to extend discount pricing to employees for personal purchases, but they are under no obligation to do so.

## **4.5 Form W-9**

All individuals and companies providing services or goods to the university are required to complete a Form W-9. Form W-9 can be found in the forms section of the IRS website. Exceptions to this policy must be cleared through the Controller. The purchaser is responsible for obtaining the Form W-9 from the vendor and submitting the Form W-9 to Accounts Payable in the Controller's Office (on the Loyola Law School campus the forms must be submitted to the Fiscal Affairs office).

## 4.6 Form CA 590

CA Form 590 should be made available to all individuals and companies who are non-residents of California and are providing services in the state of California. The purpose of this form is to claim an exemption from the 7% state tax withholding. Please note that not all payees will qualify for the exemption and therefore it is not mandatory for the payee to complete the CA Form 590. LMU is required to withhold 7% of payments to these vendors for state income tax unless a valid 590 is on file. The first \$1,500 in each calendar year is exempt from this tax. CA Form 590 can be found in the forms section of the State of California Franchise Tax Board website. The purchaser is responsible for obtaining the CA Form 590 from the vendor and submitting it to Accounts Payable in the Controller's Office (on the Loyola Law School campus the forms must be submitted to the Fiscal Affairs office).

## 5 Purchase Orders and Contracts

### 5.1 Purchase Orders

When a formal commitment to purchase goods or services is required, the preferred method is through use of a purchase order. LMU purchase order forms set forth approved terms and conditions which other forms of purchasing do not (i.e. purchasing contracts or sales agreements). Purchase orders may be obtained from the Office of Risk Management on the Westchester campus or the Fiscal Affairs office on the Loyola Law School campus and are to be issued by the Approved Purchaser within each department. All purchases greater than \$25,000 require a contract or purchase order (which contains standard university terms and conditions).

## 6 Purchasing Authority and Levels

### Westchester

Once the university's annual budget is approved, department managers, as delegated by their respective SVP, may commit funds from their budget. Purchases require additional approval(s) as follows:

- |  |                          |
|--|--------------------------|
| • Sr. V.P. and Chief Financial Officer | \$50,000 to \$1,000,000  |
| • President (as second signature)      | \$500,000 to \$1,000,000 |
| • Board of Trustees                    | over \$1,000,000         |

If a particular item is specifically identified in the university budget (for example; construction, technology capital projects, and budgets that have line item funding such as library books and the Resource Management Plan) under the authority guidelines that constitute approval, it is not necessary to go through the above stated approval process as the purchase has already been approved by the university's Board of Trustees. Internal departmental policies should guide these purchases.

### Loyola Law School

In addition to the approvals levels noted for Westchester, any commitment of funds at the Loyola Law School (via purchase order, contracts, quotes, or other means) of \$25,000 or

more require the approval of the Vice President and Associate Dean for Finance and Administration.

### **6.1 Sales and Use Tax**

The university is required to pay California sales tax on tangible goods purchased in California and a use tax on tangible goods purchased from outside the state. The sales and/or use tax amount should be included on all purchase orders. Questions regarding the application and exception of sales and use tax should be directed to the Controller's Office.

### **6.2 Contracts Review**

Regardless of dollar amount, all contracts for the purchase of goods or services, or any agreement between LMU and a third-party for any reason, that "binds" the University to a set of terms and conditions, must be reviewed and approved by the Office of Risk Management at the Westchester campus or the Vice President and Associate Dean for Finance and Administration at Loyola Law School and signed by the Chief Financial Officer. This excludes employment contracts which are handled through Human Resources and preprinted LMU purchase orders, which already have defined terms and conditions. (Please note: contracts with Independent Contractors are subject to the Contract Policy). There are no other exceptions. All contracts must be signed prior to the commencement of the terms of the contract. Please see the Contracts Policy posted on MyLMU for details on the contracts review process.

### **6.3 Receiving of Goods and Services**

The Shipping and Receiving department provides for the acceptance of goods into the university. Goods may also be shipped directly to and received by a department requestor or received at an approved secondary receiving station, when applicable. The purchaser of goods and services on behalf of the university is responsible for assuring that such goods and services are received in good condition and according to the terms of the purchase. This individual confirms that the quality, quantity, and price of the goods and services received are correct. The department manager is responsible for assuring that such receipt verification and notification occurs within his or her department.

## **7 Non-Employee Compensation**

### **7.1 Independent Contractors**

Independent Contractors are not university employees and, as such, are not eligible for university benefits. The relationship between the individual and the university must be such that the does not have a right to direct and control the means and details of the work performed by the individual.

A Form W-9 must be submitted to Accounts Payable with invoices for payment of professional services. The form must have tax identification number, complete address, and signature.

If the following conditions are met, the university must report payments to non-

employees to the IRS using Form 1099-MISC:

- Payment for fees, commissions, prizes, and awards for services performed as non-employee;
- Payment for services in the course of a trade or business;
- Payment to an individual, partnership, or, in some cases corporation (e.g.; fees to attorneys, accountants, architects, contractors, engineers, etc.);
- Payments to the payee of at least \$600 during the calendar year.

In assisting with the determination as to whether an individual is an independent contractor, the University approved Independent Contractor Checklist should be used. An Independent Contractor routing form should be completed obtaining all necessary approval signatures. The University approved Independent Contractor Agreement form must be used upon entering into an agreement with the independent contractor. All Independent Contractor agreements must be approved by Human Resources before being approved by the Risk Management Office. Please see the Contract Signing Policy for further information.

Additional documentation is required for the payment of speaker's fees if the standard speaker agreement template is not used or attached. The standard speaker agreement template can be found on myLMU website Controller's office page under Business and Finance Forms. Examples of acceptable documents are: a flyer or email announcement describing the event, class syllabus, or a memo to the speaker.

## **7.2 Temporary Employees**

A temporary agency employee is located and hired through a temporary employment agency. The temporary employment agency recruits, tests, and refers the employee to a requesting department based upon the skills specified and experience needed for the position. The person is an employee of the agency and is paid by them. Departments may hire temporary agency employees by contacting the respective agency directly.

Departments may also hire LMU temporary employees by contacting the Human Resources Department at 310.338.2723 for the Westchester campus or 213.736.1415 for the Loyola Law School campus. These employees are temporarily hired by the university.

Wages for both temporary agency employees and LMU temporary employees will be charged to departmental budgets.

## **7.3 Payments Made to Nonresident Aliens**

There are special rules for payments to nonresident aliens that are governed by the IRS. Please see the Loyola Marymount University Payments Made to Nonresident Aliens Procedure Manual for a complete discussion.

## 8 Preferred Vendors

### Westchester

#### **8.1 Campus Graphics**

Campus Digital Graphics is the preferred LMU printing and duplication reprographic vendor. Departments are directed to use Campus Digital Graphics, since it provides economical, convenient, and on-site solutions for offset printing, high-speed copying, digital color copying, large-format printing, binding, stationary printing, and basic graphic design.

Services provided by Campus Digital Graphics are subject to the Publications and Visual Identity Standards Policy maintained by Communications and Government Relations. For the purposes of this policy, highlighted guidelines and understandings are listed below:

- The printing of custom brochures, invitations, cards and other departmental and/or institutional publications must be approved by Communications and Government Relations prior to any commitments to ensure adherence to the university's visual identity program and strategic communications messaging;
- All advertising projects must be approved by Communications and Government Relations prior to contacting Campus Graphics;
- Projects totaling \$5,000 or more must be referred to Communications and Government Relations for competitive bidding consideration;
- All publications must utilize the university logo and must adhere to the "[LMU Visual Identity Guidelines](#)," which is available online.

Many duplication orders can be completed within 48 hours or less. Print jobs that are accompanied by publication-ready images or artwork generally require three business days for completion. For all other orders, please contact Campus Digital Graphics for an estimate.

Campus Digital Graphics provides staff for consultation and planning. All requests must be accompanied by an order form to ensure the accuracy of the job. To obtain assistance in completing the form, please contact [Campus Digital Graphics](#) at 310.338.2730, [cdgraphics@lmu.edu](mailto:cdgraphics@lmu.edu).

Campus Digital Graphics accepts requisitions and flexi-dollars for payment. At their own expense, faculty, staff, and students may also use Campus Digital Graphics for personal jobs using flexi only. Flexi dollars may be purchased online at <https://services.jsatech.com/index.php?cid=92>.

## **8.2 Mobile Devices**

The university has a master contract for departmental cell/smart phones and electronic mobile device purchases. The current providers are Sprint/Nextel and AT&T. For further details please refer to the Mobile Devices Policy.

## **8.3 University Bookstore**

The University Bookstore, operated by Follett, is the exclusive on-campus book and apparel vendor for the Westchester campus. School supplies, computers and electronic devices, logo items, snacks, graduation supplies, and computer supplies may also be purchased at the bookstore. The Bookstore is an Apple Authorized reseller and is the first choice for purchasing Apple Computer products with University Funds. All Technology purchases above \$100 must be coordinated through ITS as referenced in section 9.5.

Departments and students are not prohibited from buying or renting books from other sources, but the University Bookstore meets Fair Labor and No sweatshop supplier standards, and offers the lowest price available on books that are ordered by LMU Faculty. Departments, Faculty and staff are also given a 10% discount on purchases made at the bookstore with the exception of Computers and accessories. All LMU branded goods must be sold through the University Bookstore as LMU is prohibited from operating a separate and distinct web based operation for the sale of LMU branded goods.

### **Loyola Law School**

## **8.4 LLS Graphics**

The Graphics Department is designed to accommodate the day-to-day duplication needs of the campus and to facilitate the completion of larger jobs. Projects beyond the capacity of the Graphics Department are outsourced to vendors chosen on price, quality, and reliability.

Standard stationery supplies are available for pickup in the Graphics Department. Advanced notice is required for special orders. A law school account number must be given when ordering or picking up stationery supplies.

Business cards and notepads are also ordered through the Graphics Department. Payment must be made before the order is placed.

All requests must be accompanied by an order form. Any special requests must be stated on the order form to ensure the accuracy of the job. If you need assistance in completing the order form, please contact the Graphics Department at 213.736.1012.

Additional services are being explored and/or implemented. Updated information is available on the Graphics Department [website](#).

Please contact the Marketing and Communications office for printing the following:

- Advertisements
- Brochures and publications
- Any materials that use LLS logo or branding

### **8.5 LLS Bookstore**

The Loyola Law School Bookstore, operated by Barnes and Noble, is the on-campus book vendor. All textbooks required for courses at LLS can be obtained there. School supplies, logo items, snacks, graduation supplies, and miscellaneous computer supplies may also be purchased at the bookstore. Purchases can be made on-site or online. Departments and students are not prohibited from buying books from other sources, however, Barnes and Noble has a competitive pricing structure including a price matching policy. Faculty and staff are eligible for a 10% discount on eligible personal purchases made at the bookstore. Please see the Bookstore Manager for more details or visit the LLS bookstore website.

### **8.6 LLS Mobile Devices**

Law School employees required to use mobile devices for business purposes should obtain personal mobile plans and will be provided with approved mobile device allowance amounts via payroll. Please refer to the LLS Mobile Device Allowance policy located at <https://my.lls.edu/finance/mobiledevices> for details.

### **8.7 Office Max**

Office Max is the preferred office supply vendor for both the Westchester campus and Loyola Law School. Office Max offers contract pricing for over 2000 specific items. They also offer a discount for all other non-contract items. It is to the University's benefit to use the contracted office supply vendor for all of our office and printing supplies. Office Max meets the campus green initiatives and all online purchases are delivered the following day.

### **8.8 Overnight Next day Shipping Carriers**

Loyola Marymount has a preferred shipping agreement with United Parcel Service (UPS). The University provides FedEx shipments to facilitate any overflow shipping needs. LMU strongly encourages employees to utilize the UPS CampusShip program to facilitate extended pick-up, provide LMU with Carbon Offsets for reusable shipping, and support the on campus pick up infrastructure. Contact the LMU Distribution Center for assistance with arranging online access to UPS CampusShip and envelope supplies.

### **8.9 Preferred Local Hotel Agreements**

Loyola Marymount University has service level discount rate agreements with approximately 15 to 20 area hotels. The University recommends these local area hotels as the first choice for arranging guest stays for University visitors, faculty recruitments, offsite events, etc. For a list of the Hotels and the rates visit the following URL: [http://www.lmu.edu/about/services/bao/Auxiliary\\_Business\\_Services/localhotels.htm](http://www.lmu.edu/about/services/bao/Auxiliary_Business_Services/localhotels.htm)

### **8.10 Preferred Car Rental Agreement**

Loyola Marymount University has a preferred contract agreement for available for Corporate and personal car rental. Please see section 3.5.3.2 of the University Travel Policy for information regarding the University's Discount Car rental program with Enterprise and National Car Rental. LMU Contract Code: XZ32613

## **9 Restricted Purchases**

The university requires that purchases of the following items go through specified channels

### **9.1 Catering**

Sodexo is the official university's contract caterer. Orders should be placed 5 business days before the planned event. Every effort will be made to accommodate orders that were not placed 5 days prior to the planned event. Sodexo has the exclusive "right of first refusal" for all on campus catered events. If they are not able to provide the requested food, then the department may submit an authorization exception request to bring in an outside caterer. The waiver for non-use of Sodexo is required to be signed off by the department, Sodexo, and Business and Finance. Outside caterers are not allowed to use any Sodexo-licensed permitted facilities. This includes kitchens, dish rooms, and dining areas.

For the Westchester campus, please contact the Catering Sales office at 310.338.1818. The catering menu and price guide are also available [online](#). Please contact the Conference & Event Services department at 310.338.2975 for event planning and scheduling.

For purchases payment by P-Card is the preferred method of payment for Sodexo. Please refer to the [University's Food and Beverage Policy](#) for further details on policy exceptions.

### **Lovola Law School**

Sodexo Magic is the law school's non-exclusive on site catering service provider. Orders should be made using the catering form located online at <https://lils.catertrax.com/>. Orders should be placed 5 business days before the planned event. Every effort will be made to accommodate orders that were not placed 5 days prior to the planned event.

Please refer to the Sodexo website for additional information, pricing, menus, and specials. Also, please contact Sonia's at 213.736.1133 or for event planning and scheduling.

A law school account number must be provided for all catering events using Sodexo Magic. Other payment options are available for non-campus organizations.

### **9.2 Coffee Service**

Sparkletts (DS-Water) is the exclusive provider for coffee service, related supplies, snacks, and water for the Westchester campus. Sparkletts meets health and worker safety standards through the use of filtration systems and supports campus green initiatives by reducing plastic containers. Use Sodexo for catered coffee service. Aramark is the exclusive provider for coffee and water service and related supplies for the Law School. Departments are prohibited from establishing any secondary water service agreement outside of the contracted service.

### **9.3 Purchase of Chemicals**

The purchase of chemicals is handled by individual departments in consultation with the Environmental Health and Safety Office (EHS).

All chemical purchases must include a request for a Material Safety Data Sheet (MSDS). The MSDS is required to be sent by the vendor to the buyer within 30 days of receipt of the chemical. The buyer must maintain a copy of each MSDS and must send a copy to EHS.

All incoming chemicals must be properly labeled. Whenever a chemical is transferred from its original container, the new container must also be properly labeled. Employee training is required by federal and state law.

Please consult with EHS regarding the disposal of any hazardous or bio-hazardous chemicals or materials.

### **9.4 Facilities Management**

The Facilities Management Department provides and coordinates all facilities related activities and services to the LMU Westchester campus. These responsibilities include but are not limited to routine maintenance, repair, and general upkeep of all campus buildings, custodial services, grounds maintenance, and infrastructure management. In addition, Facilities Management plans and controls:

- Programs for major maintenance;

- Construction and maintenance project management;
- Office relocations;
- Estimates;
- Design;
- Capital projects (construction, remodeling, and renovations).

Contact Facilities Management by calling 310.338.2761 or emailing [fm\\_help@lmu.edu](mailto:fm_help@lmu.edu). You may also submit service requests on the Facilities Management page of MyLMU. Work Orders are prioritized by Facilities Management and are scheduled accordingly.

## **9.5 Information Technology**

### **Westchester**

Information Technology Services is the sole provider of technology and telecommunication equipment to the LMU Westchester campus. All technology and telecommunication purchases must be made through the ITS department. This includes the purchase of VoIP phones, iPad/tablet, computer hardware, software, peripherals (e.g. printers, scanners, etc.), or any hardware that connects to the LMU network and/or would need support from ITS.

Technology purchases over \$100 are not permitted outside of the ITS department.

For any questions regarding technology purchases please send an email to [purchasing@lmu.edu](mailto:purchasing@lmu.edu).

To request products or service please submit a helpdesk ticket by calling 310.338.7777 or emailing [helpdesk@lmu.edu](mailto:helpdesk@lmu.edu).

For further detail on any ITS Policy or Procedure, please contact ITS at 310.338.1747 or visit the ITS page on MyLMU.

### **Lovola Law School**

The Information Technology (IT) department is the sole provider of telecommunication equipment to the LLS campus. This includes the purchase of computer hardware, iPad/tablet, software, peripherals (such as printers, scanners, etc.), or anything that will connect to LLS' network and/or will need support from IT. Making technology purchases from an outside vendor is not allowable.

For service requests or purchasing information please contact the IT department as follows:

- Desktop hardware and software support please contact IT at 213.736.1097 or [helpdesk@lls.edu](mailto:helpdesk@lls.edu);
- Instructional technology please contact the Office of Instructional Technology at 213.736.1111 or [instructional-media.dpt@lls.edu](mailto:instructional-media.dpt@lls.edu);

- Website services please visit the Web services [Web site](#) or contact the [Help Desk](#) at [helpdesk@lls.edu](mailto:helpdesk@lls.edu).

For further information, please visit ITS' [Web site](#).

## 10 Business Meals

Faculty, staff, and students may be reimbursed for approved, necessary, and reasonable business meal expenditures. Business meals are those taken with business or professional associates, university guests, job applicants, professional colleagues, or donors, during which discussions take place. Business meals where two or more LMU employees are present should be paid for by the most senior employee. When authorized by the department head, business meals may also be taken for the purpose of employee recognition or reward.

Itemized receipts are required for all business meal expenses on federally funded projects and preferred for all others. Time, date, location, attendees, and purpose must be included in the expense report explanation for these expenses.

*Reimbursements for meals are appropriate if they are properly substantiated including the elements listed. It is important that the description of the business purpose specifically address the topic discussed during the meal. Generic explanations such as "Business Lunch" are not adequate substantiation; the purpose should clearly be one that furthers the interest of the University and enables the approver to understand that that is the case.*

Meals taken between two or more employees without a clear purpose are not reimbursable from any university funding source. The cost of such meals should be borne by the employees.

Expenses incurred in relation to the following events are considered to be personal in nature and therefore not reimbursable: parties or meals for birthdays, weddings, births, showers, or any party not sponsored by the department and made available to all employees of the department.

The Senior Vice President and Chief Financial Officer has sole authority to approve exceptions to provisions of this policy. Approved exceptions must be explicitly justified as beneficial to the university and generally require the recommendation of the individual's divisional Senior Vice President.

Expenses incurred for meals which meet the above requirements for reimbursement, that involve only LMU employees should be charged to Business Meals (Internal attendees) or Catering (Internal attendees) [object codes 6771/5771 (Internal catering/food/meals)]. Examples of such meals include faculty/staff meals, catering for meetings where only LMU employees (including student employees/interns and consultants) are in attendance, departmental faculty/staff luncheons. All other business meals which include students, alumni, or donors should continue to be charged to Business Meals (External attendees) or Catering (External attendees) [object codes 6770/5770 (Catering/food/meals)].

## 11 Gifts and Hospitality

All university funds, including gifts, grants, and contracts, shall be used in a reasonable and prudent manner and only for activities related to LMU's primary mission of encouragement of learning, education of the whole person, service of faith, and the promotion of justice. University funds shall not be used for purposes that are personal in nature or that do not have a clear business purpose.

In all instances identified below, faculty and staff must adhere to restrictions on the use of federally sponsored funds for payment of these activities. In most cases, gifts and hospitality are not allowable charges to federal grants and contracts. The Post Award Administration & Accounting department (Controller's Office) can provide further information on allowable charges to grant and contract funds.

The university, in its normal conduct, incurs varied expenses that contribute to and support the mission of the institution. The policy that follows has been developed to establish guidance on the circumstances and appropriateness of incurring costs relative to business meals, alcoholic beverages, gifts, and courtesies to employees and visitors, business entertainment expenses, and employee morale events.

As with any university expense, the costs incurred are expected to be reasonable and necessary in nature, be authorized by appropriate individuals, and be consistent with the mission of the university and the conditions specified by external sources, when applicable.

### 11.1 Gifts

University departments may incur an expense for a gift on behalf of an employee or an employee's immediate family, for the following events:

- Retirement of an employee;
- Departure of an employee who is voluntarily leaving the university and has been employed for at least five years (not necessarily continuously);
- Illness of an employee or student, requiring hospitalization; the notation accompanying the gift should indicate the gift is from LMU or the appropriate university department;
- Death of an employee or an employee's immediate family member; memorial gifts made on behalf of an employee may include food, flowers, or a donation to a charitable organization. The notation should indicate the gift is from the LMU or the appropriate university department. Please note, the law school requires for such gifts to be handled through the human resources department.

Gifts in recognition of employee work-related achievement or years of service are allowable as provided through official recognition programs authorized by the Human Resources Department for staff and the applicable Dean's office for faculty.

When giving gift cards, information about the recipient such as whom they are and their relationship to LMU should be submitted along with requests for reimbursement or P-card statements. The purchase of gift cards should be limited.

Any exception to this policy must be granted at the Vice President/Dean level. Exceptions will be subject to reporting requirements as outlined in [the Prizes and Awards section](#) of this policy.

### **11.2 Prizes and Awards**

Prizes and awards, including raffle prizes received by employees, are taxable and must be reported as additional earnings:

- Cash or gift card/certificates of any amount (the IRS considers most gift cards and certificates to be equivalent to cash);
- Gifts or awards of tangible personal property with a value greater than \$100 will be considered a taxable fringe benefit and will be reported on the employee's W2 form (IRS Publication 15-B, "Employer's Tax Guide to Fringe Benefits").

### **11.3 Raffles and Games of Chance**

Raffles are governed by the State of California Penal Code, Section 320.5. In California, charities and certain other private nonprofit organizations may conduct raffles to raise funds for beneficial or charitable purposes in the state. This exception to the general constitutional prohibition against lotteries requires that at least 90 percent of the gross receipts from these raffles go directly to beneficial or charitable purposes in California. Unless specifically exempted, a nonprofit organization must register with the Attorney General's Registry of Charitable Trusts prior to conducting the raffle and file financial disclosure reports on each raffle event. In addition, the university is only allowed one event per year. As such, prior approval to have such an event must be cleared and coordinated with the Senior Vice President for University Relations.

### **11.4 Donations to Other Charitable Organizations**

Donations made by the university to other charitable organizations should be done under extraordinary circumstances only. Payments to such organizations must include documentation explaining the nature of the donation, the relationship to the university, and must be approved by the divisional Senior Vice President. Written acknowledgement must be obtained from the payee organization and forwarded to the Assistant Controller in the Controller's Office.

### **11.5 Hospitality**

Refreshments provided at university or departmental activities such as staff meetings, committee meetings, presentations, or in honor of university guests are allowable. Such expenses should be kept to a reasonable level of cost and occurrence.

The purchase of bottled water for reception areas where there is public traffic (employees, students, visitors) is allowable.

Payment or reimbursement of external parking violations (including LMU parking citations), even if incurred during the course of university activities, is not allowable.

### **11.6 Entertainment**

Certain functions and events that provide hospitality to individuals outside the university and that are deemed necessary and customary in furthering the university's interests are considered valid business entertainment. Examples of business entertainment are listed below:

- Receptions for university guests and visitors;
- Alumni reunions or similar alumni events;
- Entertainment for donors or prospective donors;
- Welcoming receptions for parents and students;
- Luncheons for prospective employees in connection with the recruiting process;
- Reasonable expenditures for social functions to introduce new faculty and staff, or to provide for periodic informal student interaction with department faculty and staff;
- Staff morale events with prior approval of the applicable Senior Vice President, Vice President, or Dean;
- University-sponsored student events.

Examples of valid entertainment expenses are food and beverages, catering services, banquet facilities, decorations, entertainers, and musical groups.

In planning entertainment for guests of the university, all efforts should be made to keep costs to a reasonable level in relation to the nature of the event. In keeping with the university's event policies, departments are required to arrange such events through Conferences and Events Scheduling, with the exception of University Relations, as they will use their own special events department. At the law school, please contact Conferences and Events.

### **11.7 Employee Events**

Expenses associated with employee events, (e.g. receptions, open houses, retreats) that are complementary to the department's mission and goals, or that foster a sense of community among faculty, staff and students are allowable. Expenses would normally include food and beverages, facility rental, and catering services.

Expenses associated with personal events, (e.g. birth of a child, wedding, anniversary, birthday, etc.) are not allowable. Costs for such events should be borne by the participants or by management personally on behalf of the participants.

The Senior Vice President and Chief Financial Officer has sole authority to approve exceptions to provisions of this policy. Approved exceptions must be explicitly justified as beneficial to the university and generally require the recommendation of the individual's divisional Senior Vice President.

Annual holiday parties and summer picnics are allowable provided they are reasonable in scope and available to all employees within the department. While such events play an important role in the university community, it is important that fiscal responsibility be a priority in planning these events.

Approval for such events must be authorized by a Senior Vice President, Vice President, or Dean, or by an authorized representative.

### **11.8 Documentation and Authorization**

Expenditures for business meals, gifts, employee meetings, and business entertainment shall be approved by the department head or their authorized representative(s) only. Reimbursement directly to the department head must be approved by their manager, or the authorized representative of the manager.

Expenditures for department-wide employee morale or business entertainment events (e.g. holiday parties, summer picnics, receptions, retreats) must be authorized by a Senior Vice President, Vice President or Dean or their authorized representative.

### **11.9 Expense Codes (Gifts and Hospitality)**

For all expenses listed in this Gifts & Hospitality policy, use the following accounting codes:

<b>Object Code</b>	<b>Concur Expense Type</b>	<b>Description</b>
6770 (AUX5770) - Catering & Meals	Business Meal (External attendees) -or- Catering (External attendees)	Reimbursement for food expenses incurred for the primary business purpose of having events or meetings for/with the following: students, alumni, donors or any other non-LMU employee. Refer to Section 10.
6771 (AUX5771) - Internal Catering & Meals	Business Meal (Internal attendees) -or- Catering (Internal attendees)	Reimbursement for food expenses incurred for the primary business purpose of having events or meetings for LMU employees only (including student employees/interns and consultants). Refer to Section 10.
6685 (AUX5685) - Awards & Prizes	Awards/Prizes	Reimbursement for awards & prizes such as trophies, plaques, gift certificates or merchandise honoring students or employees.
7145 (AUX5145) - Gifts & Hospitality	Gifts & Hospitality	Reimbursement for gifts to external constituents, including donors & alumni.

### **11.10 Exceptions**

Exceptions to any of the provisions stated in this policy require written documentation and approval. A memorandum or related document justifying the request for exception must be approved by the Senior Vice President for the department making the request, and submitted to the Controller's Office prior to any reimbursement or payment.

Approval for exceptions at the senior vice president level must be granted by the President. When approved, all documentation must be presented to the Controller's Office.

## **12 Payment Policy**

The Accounts Payable Department processes payments to vendors for purchased goods and services performed. They also process reimbursements to students, faculty, and staff for university-related expenses. All invoices, employee expense reimbursements and advances must be requested through Concur. P-card transactions must also be reconciled within Concur.

Payments are disbursed in four ways:

1. P-Card
2. Check
3. Electronic payment
4. Cash

### **12.1 P-Card Payments**

The university P-Card is the preferred method of payment for purchased goods or services. For further information, please refer to the P-Card policy.

### **12.2 Check Disbursements**

Accounts Payable pays vendor invoices, requisitions, expense reimbursements, and travel advances by check. Authorized check signers are the Senior Vice President and Chief Financial Officer, Treasurer, Associate VP Auxiliary Management & Business Affairs and the President. A wet signature is required for checks \$5,000 and over. Dual signatures are required for checks \$25,000 and over. Except for guest speaker checks and certain student refund checks, all checks will be mailed directly to the payee from the Controller's Office.

### **Vendor Invoices**

Paying vendors directly for goods or services is preferred. Invoices are properly approved once they are reviewed, edited (if necessary), authorized by an approver, dated, and assigned an account code. The purchase order number should also be included on the invoice, if applicable.

Invoices must be submitted through Concur in a timely manner to ensure that payment is made within LMU's payment terms of net 30 days. For details on payment terms, please see LMU's Terms and Conditions (printed on back of purchase orders). Review and approval in Concur must be timely.

### **Expense Reimbursements**

Expenses reimbursed with university funds not considered reimbursable and unsubstantiated in accordance with the IRS Accountable Plan will be considered income and taxed as such. The university prefers to pay vendors directly for goods and services, thus making the need for expense reimbursements to faculty, staff, and students rare. However, there are circumstances that warrant faculty, staff, or students expending personal resources for university-related expenditures which must be reimbursed.

When circumstances require an expense reimbursement, the request must be prepared in sufficient detail to satisfy IRS Accountable Plan rules. An Accountable Plan must satisfy the following three requirements:

- Expenses must have a valid business connection or purpose;
- Expenses must be adequately substantiated within a reasonable period of time;
- Advances in excess of substantiated expenses must be returned within 30 days from

the end of the trip.

On those occasions when local meal charges are incurred during university-related activities, the actual cost is reimbursable. Request for such reimbursement must be substantiated with the receipt. The location, the names of those present, and the purpose of the meal must also be provided.

All expense reimbursements must be approved in Concur by the immediate supervisor of the requestor and the approvers responsible for the accounts charged.

Independent contractors are eligible for expense reimbursements. If the request for reimbursement is prepared as described above, the payments will not be reported as income on Form 1099.

For information on expense reimbursements related to travel expense, please refer to the university's Travel Policy.

### **Travel Advances**

Travel advances should be rare due to the use of the university P-Card. For circumstances where travel advances are allowed, please refer to the university's Travel Policy.

### **12.3 Electronic Payments**

Electronic payments are used for international payments, benefits, and other special circumstances. In order to execute an electronic payment, complete an ACH/ Wire Request form and attach the form within Concur. Please ensure the following information is included:

- Date of the request;
- Amount in U.S. dollars or specified foreign currency;
- Recipient's bank name, account name, and account number;
- ABA routing number;
- SWIFT code (for international wires);
- Name and address of the Beneficiary;
- General Ledger (GL) account number to be charged;
- Purpose of the transaction;
- Date transfer of funds must be received by the Beneficiary.
- Authorization by approvers as discussed above.

### **12.4 Cash Disbursements**

Cash disbursements are rarely made and are not a preferred method of payment. However, there are some occasions when cash disbursements are necessary. A department may require cash for petty cash funds or change funds (when hosting ticketed events or concessions). Occasionally, Accounts Payable will authorize disbursement of cash for expense reimbursements totaling \$200 or less. This request should be made through Concur in the Request module as a cash advance and later reconciled in an expense report in Concur once the event is over.

## **12.5 Signature Stamps**

Signature stamps may be used by approved surrogates in the event that designated signers are away or not available. Signature stamps must be stored securely.

# **13 Appendix**

## **13.1 Website References**

(Listed by order in document)

- Conflict of Interest for Administrative Personnel and Designated Faculty <http://www.lmu.edu/AssetFactory.aspx?did=12072>
- Guidelines for Conflict of Interest for Faculty [http://www.lmu.edu/PageFactory.aspx?PageID=13138#\\_Toc17107563](http://www.lmu.edu/PageFactory.aspx?PageID=13138#_Toc17107563)
- IRS Web site (Form W9) <http://www.irs.gov/pub/irs-pdf/fw9.pdf>
- State of California Franchise Tax Board website (form CA 590) [https://ftb.ca.gov/forms/search/?WT.mc\\_id=HP\\_Forms\\_MoreButton](https://ftb.ca.gov/forms/search/?WT.mc_id=HP_Forms_MoreButton)
- LMU Visual Identity Guidelines <http://www.lmu.edu/logo>
- Campus Graphics <http://www.lmugraphics.com>
- One Card <https://services.jsatech.com/index.php?cid=92>
- LLS Graphics Department <https://my.lls.edu/graphics>
- Loyola Law School Bookstore <http://lls.bncollege.com>
- Westchester Catering Sales Office <http://www.lmu.edu/page32399.aspx>
- University Food and Beverage Policy <http://www.lmu.edu/asset6698.aspx>
- LLS Catering Sales Office <https://loyolalaw.catertrax.com/>
- LLS Sodexo Magic & Sonia's Café <https://loyolalawschool.sodexomyway.com/dining-choices/index.html>
- LLS IT <http://intranet.lls.edu/itd/>
- LLS Web services <http://intranet.lls.edu/itd/publishers/index.html>