



# Important Fiscal Policies

UT Department of Theatre • 206 McClung Tower • Knoxville, TN 37996

While all personnel who make purchases are required to be aware of all University Fiscal Policies (available at: <http://www.tennessee.edu/policy>), a number of these policies regularly affect our operations and are therefore included here for your reference.

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## G E N E R A L P U R C H A S I N G P O L I C I E S

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### PURCHASES OF GOODS OR SERVICES LESS THAN \$10,000

These may be made by departments based on their discretion. Departments may not artificially divide purchases so as to appear the purchase is less than \$10,000 or to make multiple purchases or request multiple invoices for single purchases of identical goods or modular components from the same vendor. Purchases of identical goods or modular components from the same vendor of \$10,000 or more must be initiated through purchasing by way of a requisition in IRIS for bidding.

**Items purchased with University funds, regardless of budget code, account, etc., may not be delivered to a home address.** Shipping to a non-UT address will result in an audit finding which can result in loss of purchasing authority or other disciplinary action. All items purchased with university funds, are property of the university and are to be delivered here.

#### METHODS FOR MAKING PURCHASES IN THIS RANGE:

**UT-issued Procurement Card Purchases :** see FISCAL POLICY FI0530  
 Procurement cards may be used for making purchases of sensitive minor equipment and other materials less than \$10,000. Procedures for making credit card purchases will be provided to cardholders when the cards are issued. See the “Procurement Card” section for additional information.

**Credit Purchases/Invoices:** see FISCAL POLICY FI0505  
 Single purchases of less than \$10,000 may be made from vendors who will provide goods and services on credit without a purchase order and will invoice the university after delivery. Invoices for such purchases should be sent directly to the department receiving the goods or services and processed for payment in accordance with FISCAL POLICY FI0505.

**NOTE:** Vendors (including individuals) must have a W9 on file with UT that matches their payment address in order to be paid via invoice. New vendors or those with a change of address must complete a W9 with minority status form (available in the forms folder on the server) as well as the Vendor Payment Selection form. For individuals, new/updated W9's must be submitted along with the Vendor payment Selection form and the department must complete the Worker Classification Form, prior to the work to the Treasurer's Office for review and establishment of a vendor code. And establish that the IC should not be an employee. For corporate entities, the W9 must be entered into IRiS and a Vendor Code created before payment can be initiated. Completed W9's should be returned to the Business Manager along with the Invoice.

**Petty Cash Purchases:** see FISCAL POLICY FI0525  
Departments may issue petty cash advances for single purchases under \$10,000. Additionally, employees may use personal funds to make such purchases for departmental use to be reimbursed by the university. All such purchases are treated as Petty Cash. See the "Petty Cash" section for additional information.

**On-Campus Purchases:** Charges made at any campus vendor: i.e. Bookstore, Graphic Arts, Library, etc. can only be made through transfer voucher. A valid UT ID may be required and you must know the proper account number to be billed. Charge tickets for on-campus purchases must be submitted to the Business Manager within three business days.

**SENSITIVE MINOR EQUIPMENT** see FISCAL POLICY FI0605

Items vulnerable to theft with a unit cost between **\$1,500 and \$4,999.99** are classified as sensitive minor equipment as of March 2015, these items may be purchased with a procurement card. The following specific items are defined as sensitive minor equipment: boat motors, boat trailers, boats, cameras, camera lenses, canoes, computers, fax machines, forklifts, ham radios and receivers, LCD/multimedia projectors, marine band transmitters and receivers, microscopes, motorized vehicles, musical instruments, oscilloscopes, printers, riding lawn mowers, radio scanners, spectrum analyzers, switches/routers/hubs, televisions, tractors, two-way radio transmitters and receivers, vector scopes, video cameras, video recorders and players, waveform monitors, and weapons

**All weapons must be recorded regardless of price. All sensitive minor equipment will be tagged and inventoried annually.**

**PURCHASES BETWEEN \$10,000 AND \$49,999**

All purchases between \$10,000 and \$49,999 will be made by the purchasing department. With the exception of non-competitive purchases (i.e., sole-source, proprietary, or emergency), vendor selection will be based on the solicitation of informal (written, fax, or verbal) quotations from at least three sources. Documentation of all informal bids will be maintained in the purchasing department.

Bids are processed on a requisition to Purchasing in IRIS. See the Business Manager to make a bid request.

**PROCUREMENT CARDS** see FISCAL POLICY FI0505

Procurement Cards are University Visa cards billed to the University and are issued to persons who make regular supply purchases for the department less than \$10,000. This is the preferred method of payment whenever possible. Monthly statements are printed by the department office, reconciled by the card holder, and submitted to the Business Manager for verification.

To apply see the Business Manager to complete the application. Graduate students making regular purchases for production design may request a card; however, additional approvals are required for graduate students.

Purchases through the University supply contractor (Staples) are made by the Main Office. Requests should be emailed to the Accounting Assistant and should indicate the appropriate budget to be charged. Once the order has been placed, an email confirmation with purchase date & total will be sent back.

#### PETTY CASH & REIMBURSEMENTS

see FISCAL POLICY FI0525

Petty cash cannot be used to make purchases at any on-campus vendor. **ALL petty cash receipts MUST clearly indicate the budget (specific shop AND show) to be charged and your name. Please write this information on the front of your receipts.**

**Petty Cash Advances:** Petty cash can be checked out in advance of the purchase from the Box Office (Sarah) and is generally limited to no more than \$100. **Receipts and change should be cleared with the Box Office staff within 24 business hours of the advance.**

**Personal Funds Reimbursement:** Receipts for Petty Cash purchases using personal funds should be submitted for reimbursement as soon as possible. Reimbursements for less than \$200 should be taken to the Box Office (Funds subject to availability—call ahead.). Reimbursements for more than \$200 should be taken to the Business Manager in the Main Offices to process as a check request through the Treasurer's Office.

#### Required Receipts:

item 16 from FISCAL POLICY FI0525

One of the following types of receipt is required to support petty cash purchases and/or personal fund reimbursements. Only original receipts and/or invoices are acceptable. Faxes, photo copies, other duplicates, and altered receipts are not acceptable under University Fiscal Policy and cannot be reimbursed. Receipt forms are listed in order of preference.

**NOTE:** Employees should first attempt to obtain either a vendor's invoice or receipt before submitting the FORM T-4 to support purchases.

- a. Vendor's invoice must be dated and include:
  - (1) Proof of payment
    - Stamped "paid" with an official vendor's stamp, or
    - Marked "paid" and signed or initialed by the vendor, or
    - Processed through the vendor's cash register to indicate a "cash sale"
  - (2) Complete list and description of materials purchased or services provided
  - (3) Cost center/WBS element to be charged and general ledger (G/L) account for expenditures
- b. Detailed cash register or other vendor receipt (see attached example) must be dated and include:
  - Itemized description and price of each item purchased
  - Vendor's name imprinted on receipt
  - Department name, cost center/WBS element, and G/L account
- c. Undetailed cash register or other vendor receipt, with date and vendor's imprint. Requires a completed **PETTY CASH EXPENSE FORM (T-4)** without vendor's signature.
- d. **PETTY CASH EXPENSE FORM (T-4)** alone which must include:
  - Vendor's name
  - Signature of vendor or payee
  - Date of purchase
  - General description and price of each item purchased
  - Total amount of the purchase
  - Cost center/WBS element and G/L account to be charged

**Note:** All invoices and cash register receipts must be originals. When vendors issue receipts on standard carbon copy forms, the words "customer's invoice" or similar description should appear. Receipts that appear to be altered will not be accepted or processed.

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## E N T E R T A I N M E N T

(FISCAL POLICY FI0715)

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### GENERAL POLICY

The university may pay for expenses related to entertainment, provided the following criteria are met:

- The entertainment is appropriate in the conduct of official university business.
- Expenses per person should be prudent and reasonable.
- The entertainment is approved by the department head or campus chief business officer
- The group or individuals involved are identified.
- Documentation is obtained to support the entertainment expenses.

Generally, meals should not be provided at meetings attended solely by university employees, except on formal occasions such as banquets, retreats, receptions, employee relations council meetings, employee picnics, service award recognition, and other group meetings such as statewide staff meetings. Employees should pay for their own meals at routine meetings.

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### APPROVALS

**Entertainment of \$1,000 or more** (or \$100/person) requires prior approval from the College and Vice Chancellor ten (10) days in advance of the event. Submit the following information to Sharon to request the approval no later than four (4) weeks prior to the event.

- Purpose of the event and location if known
- Date of the event
- Expected number of people attending

- Cost per person

**Entertainment less than \$1000** per function can be approved by the department head.

PAYMENT / REIMBURSEMENT

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The following procedures must be followed when the university is billed directly for entertainment expenses.

**Invoice and Supporting Documentation:** An invoice must be billed to "The University of Tennessee" and sent to the attention of the employee or department hosting the function. The invoice must contain the date of the function, number of individuals being entertained, price per unit (i.e., meal, ticket), and total amount due. The purpose of the function must be written on the invoice or on an attachment. Tennessee sales tax should not be included since the university is exempt from paying this tax.

Employees who are billed and pay for authorized entertainment expenses may request reimbursement for entertainment expenses in accordance with the following procedures.

- Entertainment Expenses Incurred at Official Work Location:** Employees who incur entertainment expenses at their official work location (not in travel status) can be reimbursed from their campus/unit business office petty cash funds or through the normal disbursement procedures. Submit itemized, original receipt(s) to Sharon
- Entertainment Expenses Incurred While on Official Travel Status:** Employees who incur entertainment expenses while in travel status can be reimbursed by processing a **TRAVEL EXPENSE REPORT (FORM T-3)** in accordance with normal travel reimbursement procedures. Submit receipt(s) to the Main Office with other travel receipts.

**Note:** The University's procurement card may be used for entertainment expenses under \$1000 per function, subject to the documentation and approval requirements noted below

- Entertainment-type items under \$1000 per function may be purchased with the procurement card, subject to the approval and documentation requirements of **FISCAL POLICY FI0715, 5**. Such purchases may be made only from vendors that accept the card (i.e., the card is blocked at restaurants, hotels, and other travel-related vendors). The invoice must contain the date of the function, number of individuals being entertained, price per unit (meal, ticket), and total amount due. The purpose of the function must be written on the invoice or an attachment
- Items such as paper products, drinks, items from grocery stores can be purchased on the P-card.

REQUIRED RECEIPTS & DOCUMENTATION

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All requests for reimbursement must be supported by an official itemized receipt or statement issued by the vendor (restaurant, caterer, ticket office, etc.). The following information must be included on the receipt or charge slip or on an attachment.

- Purpose of the function
- Date of the function
- Number of individuals being entertained
- Average price per person, including beverages\*
- Total amount due

**Meals with Candidates:** Follow above procedures. The following restaurants are at this time known to charge directly to the university with a business card is presented:

Copper Cellar, Chesapeake’s, Calhoun’s, Sunspot, Aubrey’s, and Jason’s Deli

Persons attending the meal must be identified.

\*In those instances when appropriate to purchase alcoholic beverages, beer, or wine, the expense must be charged to a restricted account that permits such purchases. When alcoholic beverages are part of entertainment events (events include any meal reimbursement other than the standard per diem claim), the cost of alcoholic beverages must always be separately identifiable on the receipts and supporting documentation and charged to an appropriate restricted account.

T H E A T R E T I C K E T S

Theatre tickets are considered entertainment and therefore require advance approval for totals \$500 and above. All tickets, regardless of cost, require documentation as to the purpose of the entertainment expense and must be approved through the appropriate University channels.

C O N T R A C T S

(FISCAL POLICY FI0420)

P E R S O N A L S E R V I C E S C O N T R A C T S

Must comply with purchasing policies.

The Non-Competitive Justification (NCJ) form must be completed for Contracts with lecturers, artists, and entertainers. These are considered non-biddable, however, the NCJ form must be completed and approved prior to the contract being submitted. Contracts must then be fully signed prior to the work beginning.

Examples are persons here for workshops, short term lecturers. Directors, designers who are on union contracts and are guest artists through C.B. Theatricals, Inc. are processed with the appropriate union and guest artists agreements with CBTheatrical.

To initiate a personal services contract, complete a Guest Artist Initial Contact form (available on the server) and submit the form to the Business Manager. Allow sufficient time for the contract to be approved through Purchasing and Contracts. Contract must be signed by the individual and the University prior to work beginning.

#### OTHER CONTRACTS (UNDER 10,000)

For purchases under \$10,000 that still require a contract associated with it, it must be processed through Contract Review. Only a Vice President or Vice Chancellor can sign on contracts. Certain clauses including but not limited to: indemnification, hold harmless, agreement to laws of another state, liability, attorney fees are not allowed and must be deleted or modified and initialed by the Vice Chancellor and by the contractor.

Give the contract and Federal ID information to Sharon. Allow sufficient time for processing for the contract to be fully signed prior to the purchase.

#### OTHER CONTRACTS (OVER \$10,000)

Biddable purchases/services should be processed through normal requisitioning and purchase order process.