WVSU Research & Development Corporation

Operation Handbook

Updated 2/28/17

The Research & Development Corporation serves as the fiscal agent of West Virginia State University to allow greater flexibility in managing federal, state, and private funds in contracting for research support and public service activities. The Research & Development Corporation became operational in 1991.

The Operation handbook provides program administrators, staff, and faculty a framework for the disbursement of funds administered through the WVSU Research & Development Corporation. This handbook describes the basic forms, procedures, and flow of documents utilized by the West Virginia State University Research & Development Corporation.

There will be situations that arise from time to time that are not covered specifically in this handbook. When these occur, please feel free to contact the staff of the Research & Development Corporation with your questions. The Research & Development Corporation has the sole discretion in making any exceptions to the policies included in this manual under special circumstances that the Corporation alone deem necessary. The Corporation reserves the sole discretion in making any future revisions to the policies stated in this manual.

All forms named in this manual can be access by clicking on the Research & Development Corporation link on the wvstateu.edu website, or by contacting the Business & Finance Services' (B&FS) office.

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I. PURCHASE ORDER

The Research & Development Corporation requires that the purchasing process operate in the most effective and efficient manner possible within the constraints imposed by the various funding sources. The Purchase Order form is the first step in the purchasing process. Requestor must choose between two forms: 1) Purchase Order: over $5,000 and 2) Purchase Order: under $5,000.

Proposed purchases must be clearly allowable and identifiable under the terms and conditions of the funding grant, contract or agreement. All expenditures must be:

- Necessary, reasonable, and allowable to the grant program or funding source.
- Designed to comply with the limitations of the grant or funding agency agreement.
- Allocated to the grant on a basis consistent with policies that apply to all activities of the grantor,
- Accounted for consistently and in accordance with generally accepted accounting principles,
- Not included in or allocated to the cost of any other privately or federally funded program.

The Purchase Order form shall originate in and be completed by the requesting department, division or unit.

The requirements for Purchase Orders are as follows:

- Choose between two Purchase Order forms: Over/Under $5,000.
- Purchase Order: over $5,000 requires signature approval by: Supervisor/Program Leader, Department Head/Vice President/Other, Business & Finance Budget Office, Director of Business & Finance, Vice President of Research & Public Service.
- Purchase Order: under $5,000 requires signature approval by: Supervisor/Program Leader, Department Head/Vice President/Other, Business & Finance Budget Office, Director of Business & Finance.
- ALL Purchase Orders must be typed.
- The correct and complete Program Name is to be typed in the Program box
- Vendor name and address is required. No campus address for employees or students. Please include fax number if available. The Purchase Order will be mailed if no fax number is clearly stated. It is the responsibility of the requester to verify that the vendor accepts purchase orders. It is the policy of the Research & Development Corporation that no payment will be issued before receipt of purchased items.
- A detailed description must be provided with all necessary specifications, quantity being ordered, unit price, and total of order. Any item over $5,000 must have 3 valid bids attached to the purchase order. Please see section under Bids for more information.
- A short explanation or justification for the purchase must be provided in the space designated.
- The contact person (which will be the user or individual(s) in possession of equipment), phone number, building and room number (where the equipment will reside) must be noted in the space provided in case of questions or special delivery instructions. The contact person will be the responsible party in signing invoices as receipt of delivery and will be the contact person for fixed assets if the item is over $5,000.
- All specifications, as well as the purchase order, for computer equipment must be approved by Computer Services. Department purchasing through the Research & Development Corporation are encouraged to contact Computer Services for a list of vendors for their computer purchases.

The Purchase Order should be forwarded to the Business & Finance Services' office of the Research & Development Corporation. The Purchase Order will be reviewed for completeness, applicable regulations, and program budget. Funds will be encumbered and the purchase order will be forwarded to the vendor. All requests are reviewed and assigned purchase order numbers before being forwarded final approval. Any Individual submitting a purchase order must take in consideration the required processing time in submitting any requests.

IMPORTANT:

Remember that the Research & Development Corporation's Business & Finance Services office is the <u>SOLE</u> unit authorized to make obligations for the purchase of supplies, equipment, and other services under all grants, contracts, and agreements administered by the Research & Development Corporation. Purchases cannot be made in the name of the Corporation without the purchase order being issued by Business & Finance Services. Failure to comply with procedures may result in a personal expense for the individual who makes a purchase that was not authorized by the Research & Development Corporation.

The WVSU Research & Development Corporation falls under both state and federal regulations and therefore is audited annually by an external auditing firm. Any programs and accounts managed by the Corporation are open for review by the auditing firm. All accounts must follow internal and external controls. All Purchase Orders must have attached supporting documentation (quotes, invoice, and/or receipts) before they are processed by the Corporation. The Research & Development Corporation can process payments from memorandums, if determined by the Corporation to be acceptable, based on its rules and regulations, and the criteria set forth by its auditing firm. Memorandums must include invoices and receipts. A memorandum does not take the place of Purchase Orders when ordering supplies or equipment.

Payments

After the Corporation's Business & Finance Services Office receive an invoice from the Vendor, the "Certification of Receipt" stamp will be applied to the face of the invoice and sent to the originating department. Once all authorized department personnel sign the invoice, this will verify that the order has been received, is complete and ready for payment. (Any invoice signed that is not correct will rest with the initiating department, not the Corporation.)

II. CONSULTING AGREEMENT

There may be situations where the services of an outside consultant or a special service provider are necessary. The Consulting Agreement packet must be completed, signed by the contractor, and all departmental approvals obtained prior to submission to the office of Business & Finance Services. The Consulting/Contractual packets must include an Independent Contractor Determination Form, the Consultant/Contractual Agreement, Conflict of Interest form, federal W-9, and a Workers Compensation Certificate.

IRS tax issues and Worker and Unemployment Compensation concerns have made it a priority in identifying the correct classification for an Independent Contractor. It is the employer's responsibility to determine if the individual performing the service is classified as an employee or as an independent contractual. The Independent Contractual Determination Form will judge, based on answers, on three common tests: Behavioral Control, Financial Control, and Relationship of the Parties. The supervisor or department head must complete this form before submitting the Consulting Agreement to B&FS. The answers to each section questions on the form, will instruct the supervisor how to proceed, either the individual will need to be processed as an employee or an independent contractor through accounts payable. The Independent Contractual Determination Form can be waived in cases were the contractor is a performer or has his or her own business licenses/FEIN number and is performing consulting/contractual services in their business field.

The Consulting Agreement must be typed and filled out completely, including the funding source. Consulting agreements must be signed by the contracted individual or representative of contracting company, the department head requesting the agreement, and the Department Dean and administrative area Vice President. If the consultant is a full time employee of the State of West Virginia or of the WVSU Research & Development Corporation, his or her full time supervisor or department head must sign a statement that services performed under the agreement will not interfere with or detract from their full-time duties. The consultant or contracting party must provide his or her tax identification number (social security or FEIN number) on the contractual form. Please be aware all consultants and contractors will receive a 1099 tax form in January for services paid for in the previous year. The address provided on the Consulting Agreement must be the official address where the consultant or independent contract receives mail. No campus addresses will be accepted.

If travel expenses are to be reimbursed as part of the agreement, the consultant must abide by the Research & Development Corporation's travel rules and expenses must be submitted on appropriate forms along with supporting receipts and documentation. Travel expenses cannot exceed the rate of pay that was agreed upon in the Consulting Agreement.

Consultants and Contractors must complete a Conflict of Interest Statement.

Consultants and Contractors are required to have a W-9 form on file with the Research & Development Business Office. The consultants and contractors must provide tax identification number (social security or FEIN number) and business or residence address. All consultants and contractors will receive a federal 1099 form from the Research & Development Corporation the first of the following year, and a federal copy will be filed with the Internal Revenue Service. The Consultants and Contractors are responsible for any federal and state taxes on payments received. The Corporation will not deduct tax withholdings for consultants and contractual personnel. The name, address, and tax identification number of the W-9 must be the name used when completing the Consultant Agreement, as well as when filing federal tax returns.

After the consulting services are provided, the Invoice for Work Performed must be submitted for payment. The form describing the service provided must be prepared by the consultant and signed. The invoice must be approved for payment by the Vice President or Dean with jurisdiction over the department supervising the contract or agreement. The completed invoice and all supporting documentation will be submitted to the Research & Development Corporation for payment. The invoice must be submitted in the same name as the consultant used on the original Consulting Agreement. The invoice cannot exceed the amount stated on the Consulting Agreement, including any submitted travel expenses. Payment will not be processed until the service is completed and Invoice for Work Performed is submitted to B&FS.

III. CREDIT CARD

The WVSU Research & Development Corporation's credit cards are available only for the day-to-day operation of Business & Finance Services. The credit cards are not available to all projects and accounts administrated by the Corporation. It is the SOLE discretion of the office of Business & Finance Services in allowing purchases to be made on the Corporation's credit cards.

The use of the credit cards are not an acceptable alternative to the normal purchasing process. Credit cards are limited for travel purposes and emergency situations, or when purchase orders are not an effective means of purchase. It is the SOLE discretion of the B&FS office to judge when the credit card is needed to make purchases or when a purchase order is needed. (Ordering regular office supplies, such from Staples or Office Max, does not constitute as an emergency.) The Research & Development Corporation is set up for online ordering, only through B&FS, at Staples at reduced rates and most orders are delivered the next day. Therefore, the use of the credit card at those vendors, for common office supplies, is not justified. Also, the credit cards are NOT to be used to make computer purchases.

Regular, full-time employees may apply for a corporate credit card but must obtain prior, written approval from their supervisor. To be eligible for a corporate credit card, an employee must travel frequently in the course of his/her duties, purchase significant volumes of goods and services for use by the Corporation, or incur other regular frequent business expenses of a kind appropriately paid by credit card.

The corporate credit card cannot be used to obtain cash advances, bank checks, traveler's checks, or electronic cash transfers for expenses other than those incurred by the assigned employee named on the card, or for personal expenses. Misuses of the card will result in cancellation of the card and withdrawal of corporate credit card privileges. If the card is used for an employee's personal expenses, the Corporation reserves the right to recover these monies from the employee cardholder. Cardholders will be required to sign a declaration authorizing the Corporation to recover, from their salary, any amount incorrectly claimed.

Credit Card Misconduct

Wherever a breach in this policy occurs, the Director of Business & Finance will assess the nature of the breach and if significant, report the breach of the policy to the Executive Director. After an investigation of the breach, the following disciplinary actions will be implemented:

- In the first instance, counseling and or verbal warning (and or file note created)
- In the second instance, a written warning
- In the third instance, the card is to be immediately withdrawn

Corporate credit card expenditures must be reconciled and submitted with original receipts to the Business & Finance Office within 7 business days of the statement date. Cardholders who have not reconciled and submitted their monthly expenditure within this period will be asked to reconcile and submit their monthly expenditure immediately. Continued or repeated failure to conform to this policy will result in cancellation of the card and such other actions as appropriate. If credit card expenditures are not reconciled and submitted within a month of the statement date or a plausible explanation has not been received by the Business & Finance Office, the employee's corporate credit card will be cancelled.

Lost or stolen cards must be reported immediately to the Director of Business & Finance.