

Procurement Services

Buying Manual

A Supplement to University Policy 3.25, Procurement of Goods and Services

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Buying Manual

A Supplement to University Policy 3.25, Procurement of Goods and Services

Table of Contents

Introduction and Getting Started

General Information

- [100 Authorized Business Expenses](#)
- [101 Legal and Ethical Conduct and Purchases for Employees](#)
- [102 Requirements for Vendor Selection and Order Creation](#)

Paying for Goods and Services that Do Not Require a Purchase Order

- [200 Introduction to Non-PO Payment Methods](#)
- [201 Eligible for Direct Payment, with Approval of Authorized Unit](#)
- [202 Procurement Card](#)
- [203 Payment by Disbursement Voucher](#)
- [204 Payment Options for Business Travel](#)
- [205 Vendor Setup](#)

Credit Card Programs

- [300 PCard Introduction](#)
- [301 PCard Eligibility and Dollar Thresholds](#)
- [302 PCard Prohibited Transactions](#)
- [303 PCard Documentation Requirements](#)
- [304 PCard Special Topics](#)
- [305 PCard Procedures](#) (application, dispute/fraud, lost/stolen, rejected, account changes)
- [306 PCard Policy Violations](#)
- [307 PCard Special Considerations for BSC Cardholders](#)
- [308 PCard Responsibilities](#)
- [352 University Paid Travel and Meal Card](#)
- [353 Responsibilities for Travel and Meal Card](#)

The Purchase Order Process

- [400 Introduction to Purchase Orders](#)
- [401 Creating a Purchase Order](#)
- [402 Bid Solicitation and Exemptions](#) (sole source)
- [403 e-SHOP](#)
- [404 Cornell Terms and Conditions](#)
- [405 Insurance Requirements](#)
- [407 End Users/Units/BSC Relations](#)
- [408 Sustainable Purchasing](#)
- [409 Contracts](#)

Purchases with Special Procedures

- [601 Ethyl Alcohol](#)
- [602 Entry Permits USDA](#)
- [603 Isotopes and Radioactive Materials](#)
- [604 Laminar Flow and Fume Hoods](#)
- [605 Narcotics](#)

606	<u>Orders for Lab Animals and Custom Antibodies</u>
607	<u>Respiratory and Hearing Protection</u>
608	<u>Poison Inhalation Hazards</u>
609	<u>Energy Procurement</u>
610	<u>Requisitioning of Signs</u>
611	<u>Recycling and Disposal of Equipment</u>
612	<u>Use of Cornell Name, Logo & Insignia by Units</u>
613	<u>NY State Appropriated Orders</u>
614	<u>Orders Using Sponsored Funds</u>
615	<u>Artwork Loans and Purchases for the Herbert F. Johnson Museum of Art</u>
616	<u>Editors, Indexers, and Designers for Cornell University Press</u>
617	<u>Export Controls</u>
618	<u>Technology Risk Assessment</u>
619	<u>Graphics Procurement</u>
620	<u>Arts and Sciences' Concert Series and Performances</u>
621	<u>Student and Campus Life's Entertainment Contracts</u>
622	<u>External Leases</u>
623	<u>Internal Borrowing Guidelines</u>
624	<u>Small and Diverse Business</u>
625	<u>Cornell Sustainable Campus</u>
626	<u>Surplus Program</u>
627	<u>Chartered Buses and Limousines</u>
628	<u>Controlled Substances</u>
629	<u>Needles and Syringes</u>
630	<u>Human Research Participant Payments</u>

Purchases with Special Procedures: Paying for Services

700	<u>Paying for Services – Getting Started</u>
701	<u>Performing the Service Provider Evaluation</u>
702	<u>Responsibilities Related to the Payment of Services</u>

Shipping and Receiving Procedures

802	<u>U.S. Customs Clearance / Duty Free Entry</u>
803	<u>Receiving & Inspecting Shipments/Freight Claims</u>
803A	<u>FOB Terms and Responsibilities</u>

Invoice Processing Procedures

804	<u>Invoice Payment</u>
805	<u>Freight Bills</u>
806	<u>Capital Equipment</u>

Quick Reference and Forms

900	<u>Forms and Contracts for Services</u>
901	<u>Acronyms</u>
902	<u>Definitions</u>
903	<u>Contacts</u>
904	<u>Index</u>

Introduction

Cornell University's Board of Trustees delegates significant procurement authority for the acquisition of goods and services from external sources on the university's behalf. Authority for the purchase of most goods and services at the university is ultimately delegated to Procurement Services. [University Policy 3.25, Procurement of Goods and Services](#), provides overarching guidelines for procurement and directs readers to this manual for specific details.

The processes and procedures documented in this Buying Manual have been developed to ensure responsible stewardship of university funds and are based on sound business practices, best value, accountability, and compliance with donor, sponsor and regulatory requirements.

Procurement Services is committed to providing a high level of service and to achieving best value for use of university funds. We provide procurement tools and consult with end-users, units, financial transaction centers, and business service centers to help them succeed. If Procurement Services is involved early enough in a project, we can help you gain substantial savings.

Mission Statement

Cornell University's Procurement Services provides cost-effective procurement services to its customers by listening to their needs and responding in a prompt, courteous, and professional manner.

Vision Statement

To create an environment that:

- Allows employees to provide excellent service
- Ensures that customers receive extraordinary value
- Utilizes best practices and acts as a role model for others

Contact Information

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Getting Started

There are three main categories of information in this Buying Manual:

- Topics of interest to all individuals initiating a transaction on behalf of the university
- Transactions that do not require a purchase order
- Transactions that require a purchase order

We recommend that everyone read the [General Information](#) section, which covers topics for every person at Cornell who initiates transactions. Included in this section is the topic [Requirements for Vendor Selection and Order Creation](#), which outlines the requirements for placing orders through Cornell's e-procurement tool (e.g., e-SHOP) and for utilizing preferred suppliers.

If you are initiating a purchase where authority for review and approval of that good or service has been [delegated to a specialized unit](#) (for example, a real estate transaction) or for [tangible goods that do not require a purchase order](#) or for travel, see [Paying for Goods and Services that Do Not Requiring a Purchase Order](#). This section includes information on non-purchase order payment methods that may be utilized (e.g., procurement card, direct payment by check or electronic equivalent method, and payment options for business travel).

If you determine that a purchase order is necessary, refer to [The Purchase Order Process](#), which describe the types of purchase orders available, the requirements for bidding, and additional requirements that apply to certain goods, services, and sources of funds. Please also note the section on [Purchases with Special Procedures](#), which include certain sensitive goods and services and orders that are funded by New York State appropriated funds.

The section on [Procurement Programs](#) is also of interest to everyone because it explains the areas in which Procurement Services has proactively developed progressive programs. These include commitments to supplier diversity and programs that support the university's goals in environmental sustainability.

Recommended Steps

- Please ensure that your intended purchase is an allowable business expense for which University funds may be expended under [University Policy 3.14, Business Expenses](#).
- Determine if the good or service that you want to purchase is covered by a [preferred or contract supplier agreement](#).
- If Procurement Services has negotiated an agreement with a supplier for the good or service (commodity) that you are purchasing, then you should purchase that commodity from the preferred supplier. Otherwise, you are encouraged to shop for best price and consider the discounts available from contract suppliers. Please refer to the supplier utilization hierarchy in [Section 102](#).
- Determine the appropriate procurement method. To assist you in making the determination, refer to the Procurement Decision flowchart in [Section 200](#).
 - If the supplier is available in e-SHOP, then begin your requisition in e-SHOP as it simplifies the data entry and ensures you receive Cornell's discounted pricing.
 - If the vendor is not available in e-SHOP, then you must determine whether the purchase is eligible for payment via pcard or disbursement voucher (DV). Please reference prohibited pcard transactions ([Section 302](#)) and direct payment via DV ([Section 203](#)).
 - If not eligible for purchase via pcard or DV, then you must use a purchase order (PO).
 - If the good or service that you wish to purchase is not covered by a preferred or contract supplier agreement, then utilize the Find a Supplier search feature in [Spend Viz](#) to determine if an existing supplier provides the commodity.
 - If a supplier is not available in KFS, then you may request a new supplier.

- In situations where a preferred supplier agreement does not exist and the purchase amount exceeds the formal bid limit of \$25,000, a vendor is selected through competitive bidding, unless an appropriate justification and an alternative method of selection are specifically authorized by a Procurement Agent (refer to [Section 400](#)).

Authorized Business Expense

Prior to reviewing this manual, please ensure that your intended purchase is an allowable business expense for which University funds may be expended. [University Policy 3.14, Business Expenses](#), provides guidelines for identifying expenses that may be charged to various University accounts and ensuring compliance with federal, state, and local regulations while supporting the University's missions of education, research and public service. Prior to initiating a transaction, review [University Policy 3.14](#).

If you have questions related to whether your intended purchase is allowable, contact your unit business manager or business service center prior to initiating the purchase.

Legal and Ethical Conduct

Purpose:

It is the policy of Cornell to comply with all laws governing its operation and to conduct its affairs in keeping with the highest moral, legal and ethical standards.

Compliance with the law (including anti-bribery and antitrust laws and other applicable regulatory law) means not only following the law but so conducting Cornell business that Cornell will deserve and receive recognition as a good and law-abiding citizen, alert to its responsibilities in all areas of good citizenship. Even where the law does not apply, applicable standards of ethics and morality relate to our activities and require the same diligence and attention to good conduct and citizenship.

Illegal and unethical practices include engaging in price fixing arrangements; bid rigging acts; agreements with competitors to divide or allocate markets or customers; falsifying of accounting records; intentional misrepresentations to the University's auditors; bribery; illegal kickbacks; or illegal political contributions.

Conflict of Interest:

Loyalty and the practice of good business ethics are a part of the obligation of employees to their employer. One aspect of this is the requirement that an employee refrain from engaging in personal activities which injure or take advantage of the University. Employees are prohibited from using their position at the university to realize a personal profit.

Per University Policy 4.14, "a conflict of interest may arise when an individual has the opportunity to influence the university's business, administrative, academic, or other decisions in ways that could lead to personal gain or advantage of any kind." Conflict of interest is most likely to occur when the Cornell employee is employed for personal gain by another firm, directly or as a consultant; has a direct financial interest in another firm; has an immediate family financial interest in another firm; or is a director or officer of another firm.

For additional information please see [University Policy 4.6, Standards of Ethical Conduct and University Policy 4.14, Conflicts of Interest, which specifies the](#) reporting requirements and responsibilities for review.

All individuals initiating transactions on behalf of the university should report any conflict of interest in accordance with policy and college or administrative unit requirements. Upon full reporting, the university may approve a transaction or affiliation, provided that the conflict can be managed.

Gifts:

Mutual respect between supplier and buyer has always been and always will be an important factor in business. It is to be encouraged between two parties where it can be of advantage to both. There is nothing questionable or unethical in lunching with a supplier, either to give the salesperson a better opportunity to present his or her case or to cultivate a business relationship, provided the employee accepts such intentions as they would from any other person and keep themselves free from obligation. Employees must not become obligated to any supplier and shall not participate in any transaction in which they may personally benefit. No gifts, beyond those of an advertising nature and insignificant value, generally distributed to all potential customers, may be accepted by any Cornell employee.

Gifts received, which are unacceptable according to this policy, shall be returned to the donors.

Entertainment:

Cornell employees shall not accept purely social entertainment offered or sponsored by suppliers.

Buying Manual

Subject: General Information

Title: Legal and Ethical Conduct and Purchases for Employees

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Entertainment is not construed to mean an occasional business meal or a function where Cornell stands to benefit from the supplier association.

Code of Ethics:

All individuals initiating transactions on behalf of the university have requirements relating to their interaction with, and selection of, vendors. Employees must be careful not to become obligated to any supplier and must not participate in any transaction in which they may personally benefit. See paragraph above on gifts. Personal purchases that utilize the university's discount or sales tax exemption are not allowed. (Note: Some vendors offer discounts to Cornell employees for personal purchases. See Human Resources Perks web page at <https://www.hr.cornell.edu/benefits/perks.html> for a complete list.) All individuals initiating transactions on behalf of the university will review and comply with the "Legal and Ethical Conduct" section of this Manual, and with the National Association of Educational Procurement Code of Ethics which is in [University Policy 3.25, Procurement of Goods and Services](#), Appendix E.

Purchases / Rebates / Free Merchandise:

If a vendor offers free merchandise or a rebate with purchase, that merchandise or rebate is the property of Cornell University. Rebates will be returned to the account that was utilized to pay for the purchase. Free merchandise will be turned over to the unit's director/department head for appropriate distribution (e.g., departmental use, drawing for all faculty/staff, charitable donation).

University Purchases for Employees

Agents in Procurement Services (Procurement) and other agents of the university are not permitted to make personal purchases for employees. An enterprise has been established for the sole purpose of acting as a distributor for the specified equipment or material for resale to individuals, e.g., [Technology Connection](#), a division of Cornell Business Services. In cases where agents in Procurement have negotiated contracts with suppliers that include [employee discounts for personal purchases](#), these purchases are to be made by the individual employee with personal funds. For a complete listing of discounts available to the community, please visit the [HR Web site for Benefits / Perks](#).

Requirements for Vendor Selection and Order Creation

Authority for the review and approval for most purchases at the university is the responsibility of Procurement Services (Procurement). Exceptions are discussed later in this document.

One of the services that Procurement provides for the campus is the negotiation of supplier agreements – both preferred and contract. [University Policy 3.25, Procurement of Goods and Services](#), states “In many cases, suppliers are preselected based on campus input, screened, and negotiations have already been conducted, resulting in preferred supplier agreements. Where such agreements exist, units must procure goods and services from these preferred suppliers regardless of dollar amount or procurement method.”

What does this policy mean for the units?

First, determine if the good or service that you want to purchase is covered by a preferred or contract supplier agreement.

Second, refer to the supplier utilization hierarchy below to aid you in selecting a supplier.

- If Procurement has negotiated a preferred supplier agreement with a supplier for the commodity (good or service) that you are purchasing, then you must purchase that commodity from the preferred supplier.
- You are encouraged to review the discounted pricing available from contract suppliers, but are not required to use the contract supplier.
- For items that are not covered by preferred or contract supplier agreements and for purchases below the \$25,000 bid limit, you are encouraged to shop with local or diverse suppliers and to review the suppliers in e-SHOP as part of your comparison shopping.

Supplier Type	Definition	Unit Spending Goal
Preferred suppliers	A supplier with whom Procurement Services has negotiated and/or implemented a university-wide agreement and that Procurement Services endorses as the “best overall value” in providing products, services, delivery, and customer service. These suppliers have participated in a competitive bid and negotiation process, were selected because they meet criteria established by commodity teams comprising campus users. Where agreements with a specific supplier exist for a good or service (commodity), units must procure those goods and services from these preferred suppliers.	80%
Contract suppliers	A supplier who has participated in a competitive bid process and agreed to Cornell’s terms and conditions. We encourage you to use these contracts to take advantage of price discounts.	
Local suppliers	A business located in Tompkins County or adjacent counties.	20%
Diverse suppliers	Any business concern that is at least 51 percent owned by a woman, minority, veteran, or LGBTQ, who are U.S. citizens and whose management and daily business operations are controlled by one or more of such individuals.	

Third, determine the appropriate procurement method. If the supplier is available in e-SHOP, then begin your requisition in e-SHOP as it simplifies the data entry and ensures you receive the discounted pricing.

Buying Manual

Subject: General Information

Title: Requirements for Vendor Selection and Order Creation

Number: 102

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If the vendor is not available in e-SHOP, then you must determine whether the purchase is eligible for payment via pcard or disbursement voucher (DV). If not eligible for purchase via pcard or DV, then you must use a purchase order (PO). To assist you in making the determination, refer to the Procurement Decision flowchart in [Section 200](#). Please reference prohibited pcard transactions ([Section 302](#)) and direct payment via DV ([Section 203](#)).

In situations where a preferred supplier agreement does not exist and the purchase amount exceeds the formal bid limit of \$25,000, a vendor is selected through competitive bidding, unless an appropriate justification and an alternative method of selection are specifically authorized by a Procurement Agent (refer to [Section 400](#)).

Relationships with Vendors

The highest standards of business ethics and conduct should be applied by all Cornell employees to relations with suppliers. When making decisions affecting suppliers, employees shall not obligate either themselves or the university to a supplier. In conducting business with suppliers, employees are also expected to act fairly and objectively and in the best interests of the university. Fairness to suppliers is promoted by the following means:

- By giving all salespersons a fair, prompt and courteous hearing on any subject that is justified by the nature of their products or services.
- By keeping competition open and fair.
- By discouraging revisions of bids after submission and insisting on receiving the best price initially and holding the bidder to it.
- By keeping buying specifications fair and clear and not including impractical or unnecessary specifications.
- By showing consideration for the suppliers' difficulties and cooperating with them to the fullest extent possible.
- By not soliciting quotes from potential supplier unless we are willing to use that supplier should the offer be acceptable in quality, price, delivery terms and service. Qualifications of a supplier will be determined before a quotation.
- By not bargaining with suppliers. Ensure that each bidder's quoted price is compared with other bids submitted under the same conditions.
- By keeping prices confidential and not divulging those prices to competitors.

In cases when the appropriate Procurement Agent is not already providing the communication interface with suppliers, employees should consult with Procurement if questions arise relative to these guidelines.

Paying for Goods and Services that Do Not Require a Purchase Order

Introduction to Non-PO Payment Methods

The University has authorized specific procurement applications or tools that do not require a purchase order, these include Business Service Center (BSC) procurement card (pcard), regular pcard, disbursement voucher, and department charge (see sections [202](#) and [203](#)).

A purchase order is not required when:

- Payment is allowed on a pcard (see [section 302](#))
- Payment is allowed on a Disbursement Voucher (see [section 203](#))
- Procurement Services (Procurement) has delegated the authority for review to a specific unit; for example, the acquisition of library books has been delegated to the University Libraries. In these instances, Procurement has a Memorandum of Understanding in place with these units. See Appendix B of [University Policy 3.25, Procurement of Goods and Services](#), for a complete list of those units with delegated authority for specific goods or services.
- A unit offers a “department charge” for internal sales, whereby the selling unit processes an electronic journal voucher.
- The Board of Trustees has delegated the authority for review and approval of specialized transactions to another central unit. That unit will determine the most appropriate method of procurement. See [Section 201](#) of this manual for details on these specialized transactions.
- Personal payment by an employee, with request for reimbursement, is made for travel expenses or hosted business meals.

NOTE: There is a flowchart available to assist you in determining which payment method to utilize, see next page.

Buying Manual

Subject: Paying for Goods and Services that Do Not Require a PO

Title: Introduction to Non-PO Payment Methods

Number: 200

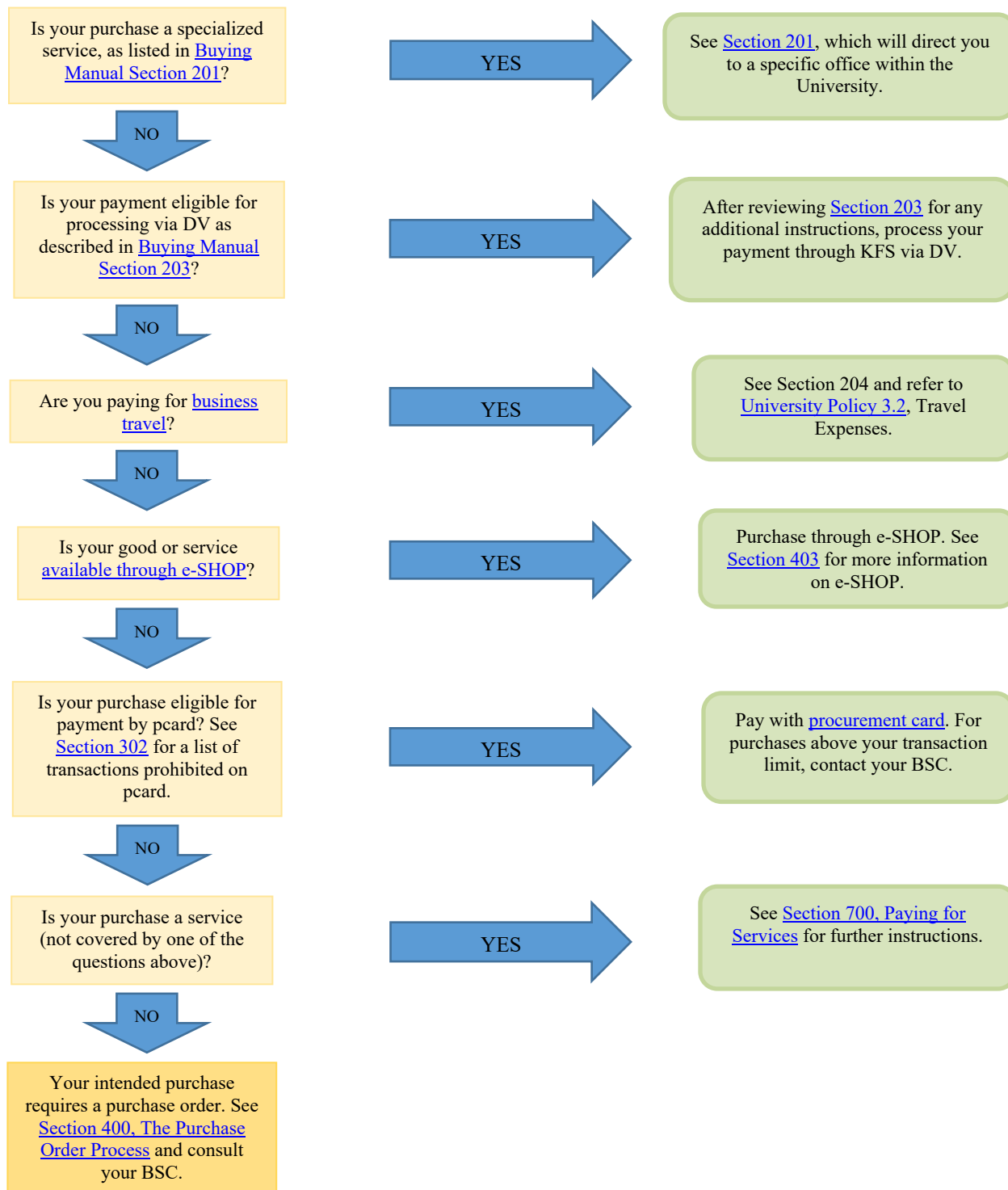
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PROCUREMENT DECISION FLOWCHART

Prior to reviewing this flowchart, you must:

1. Consult University Policy 3.14, Business Expenses to ensure that your intended purchase is Cornell allowable
2. If you are paying with sponsored funds, ensure that your intended purchase is allowed by the sponsor.



Eligible for Direct Payment with Approval of Authorized Unit

The review and approval of certain Specialized Services has been delegated by the Board of Trustees to specific units at the university, based on that unit's specialized knowledge of the service. These payments may be made directly by disbursement voucher (i.e., check, ACH, or wire transfer); however, approval from the unit with delegated authority must accompany any request for payment. Payments can be made at dollar levels greater than the formal bid limit of \$25,000. See [University Policy 4.2, Transaction Authority and Payment Approval](#), for information on the necessary approvals based on dollar levels.

♦ **Caution:** The procurement of these specialized services may require a contract. Whether the services shall require a purchase order and/or a unique contract is at the discretion of the unit listed in parentheses. For additional information on contracts, see the [Paying for Services, section 700](#) of this manual.

- Architectural & Engineering Services (requires approval of Contracts and Capital Projects)
- Audit related services (requires approval of the University Audit Office)
- Benefits & Employment services (requires approval of the Division of Human Resources)
- Construction Contracts (requires the approval of Contracts and Capital Projects)
- Energy and energy related financial instruments (requires approval of Utilities and Energy Management)
- Insurance (requires the approval of Risk Management & Insurance)
- Investments (requires the approval of the University Investments Office)
- Legal services (requires the approval of the Office of the University Counsel)
- Real estate (requires approval of the Real Estate Department)
- Sponsored Programs – Subcontracts (requires the approval of the Office of Sponsored Programs)
- Treasury services/Debt/Banking (requires the approval of the Office of the Treasurer)

♦ **Note:** For information on requesting your payment by check, or equivalent electronic method, see “Disbursement Voucher” at the end of [section 203](#) of this manual.

Procurement Card

A procurement card (also known as a pcard) is a credit card issued by a financial institution to an organization to make business-related purchases from vendors. The card is issued in an employee's name and may be used for certain low-dollar, business-related purchases, when the item is not available through e-SHOP. There are per transaction and monthly dollar limits on the cards, as well as certain goods and services that are prohibited from payment by pcard. Since the pcard is a university liability, the bill is paid centrally by Cornell for all balances; no purchase order or reimbursement process is necessary.

In general, to be eligible for payment by pcard, a purchase must:

- Be an allowable business expense, based on [University Policy 3.14, Business Expenses](#)
- Be within the cardholder's per-transaction and monthly limit
- NOT appear on the list of Prohibited Transactions (see [section 302](#))

Procurement card holders should consult the Procurement Card section of this manual to review their responsibilities and the specific goods and services that are prohibited from payment by pcard. In the event that your intended purchase exceeds your per transaction limit, or you do not hold a procurement card, consult your Business Service Center.

♦ **Note:** The terms and conditions associated with a purchase order provide certain legal protection to the university and therefore, there may be instances where the unit or Business Service Center chooses to request a purchase order rather than utilizing a procurement card.

Payment by Disbursement Voucher

Eligible for Direct Payment via Disbursement Voucher

Procurement Services (Procurement) has exempted the payment types described in this section from the issuance of a purchase order. No contract is necessary unless specifically stated. Since these payment types are generally not available through e-SHOP and procurement card is often not an option, payment by check or equivalent electronic method may be requested via the Disbursement Voucher. A Business Service Center may request these payments (via DV) at dollar levels greater than the formal bid limit of \$25,000. See [University Policy 4.2, Transaction Authority and Payment Approval](#), for information on the necessary approvals based on dollar level.

♦ **Note:** For information on requesting your payment by check, or equivalent electronic method, see Disbursement Voucher (DV) at the end of this section.

♦ **Note: Requests to Donate a Payment.** When an individual does something (e.g., provides services, speaks, applies or competes for a prize/award) with the knowledge of or expectation of receiving payment directly in exchange for their actions, the payment must be issued to the individual and may not be donated to another entity on their behalf.

❖ **CAUTION: Before paying a foreign visitor**, review the [Payments Allowed by Visa Type matrix](#) on the Tax Office website to ensure that immigration law does not restrict the type of payment. If the payment is allowed, see the [Forms Required for Payments](#) for further instructions.

- **Advertisement** – *a paid announcement in newspapers or magazines, on radio or television, etc.; a public notice.* Generally paid by procurement card when amount is under the formal bid limit; when pcard is not an option, the DV may be used to generate this payment. See University Policy 4.10, Use of Cornell's Name, Logos, Trademarks, and Insignias for definitive guidelines for advertising campus services in all forms of public-facing print, digital and physical media. Permission to advertise in local outside media, whose audience is not exclusively on campus, must come from the Division of University Relations (licensing@cornell.edu). Formal paid advertising is permitted for events of an athletic or cultural nature that have a primary appeal to the university community and secondary appeal to the general community, e.g., musical presentations, concerts, athletic events, exhibitions, films, lectures, etc.
- **Ambulance services** - generally paid by procurement card when amount is under the formal bid limit; when pcard is not an option, the DV may be used to generate this payment.
- **Athletic event official** – requesting the payment for the official via the DV is acceptable even if the athletic event official is an employee. The Service Provider Evaluation is not necessary as an athletic event official is always an independent contractor.
- **Award** - *something that is bestowed generally for excellence, whether or not based on an open competition.* Payments to employees must be processed through Payroll. See Payment to Students below.
- **Donations** – *any voluntary contribution of cash or property to any organization outside of the university, regardless of the sources of funds.* All donations with a value of \$500 or more must be approved by The Office of Community Relations and the approval must be attached to the DV.

Buying Manual

Subject: Paying for Goods and Services that Do Not Require a PO

Title: Payment by Disbursement Voucher

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Payment is allowed on BSC procurement card when the donation amount is under \$10,000 with appropriate approvals. Use object code 6390 for contributions from Cornell to an outside entity. Use object code 6420 for payments in lieu of flowers.

Please note that sponsorships, advertising, or other engagements with reciprocal value are not considered “donations” and are not subject to prior approval, even if using Object Code 6390 Donation from Cornell. For example, a department sponsorship of a conference with or without recognition of such sponsorship is not considered a donation that requires approval from Community Relations.

- **Dues for Memberships and Professional Organizations** - generally paid by procurement card when amount is under the formal bid limit; when pcard is not an option, the DV may be used to generate this payment.
- **Entertainment Events held at major, public places such as Bailey Hall or Statler Auditorium** – consult the Office of University Counsel regarding a contract and attach that contract to your DV. It is also recommended that you include the engagement letter and major concert addendum. The Service Provider Evaluation described in Section 700 is not needed.
- **Film rental** - generally paid by procurement card when amount is under the formal bid limit; when pcard is not an option, the DV may be used to generate this payment.
- **Food for Resale** – *food that is acquired for purposes of resale on campus*, by units that do not have a Spend Delegation agreement with Procurement, e.g., Temple of Zeus, The Green Dragon, may be paid via DV.
- **Freight Bills** - generally paid by procurement card when amount is under the formal bid limit; when pcard is not an option, the DV may be used to generate this payment. Payment must be made within fifteen (15) days per Federal Interstate Commerce Commission/Department of Transportation regulations.
- **Gift** – *something given as a present*. ♦ **Caution:** See [University Policy 3.14, Business Expenses](#), for additional information, particularly related to expenses that benefit faculty, staff or students. Cash gifts to employees or student employees should be processed through University Payroll. The IRS classifies almost all “gifts” to employees as taxable wages. Review [Cash Awards, Gift Cards and Certificates](#) on the University Tax Office website and contact tax@cornell.edu with questions. For the purchase of gift cards, contact your BSC.
- **Guest Lecturer** - *an individual who is providing minimal supplementation to the primary instructor in an academic class, regardless of whether the course awards academic credit or not*. The Guest Lecturer agrees to a fee in exchange for giving a lecture or participating in an academic class. Examples include presenters at lecture series, participant on thesis review panel, and guest lecturers giving one lecture in a semester long course, in classes or other training events.

When evaluating whether a payment qualifies as a guest lecturer fee, the following questions can be used as guidelines. If you have answered “yes” to any of the below questions, the payment does not qualify as a guest lecturer fee.

Buying Manual

Subject: Paying for Goods and Services that Do Not Require a PO

Title: Payment by Disbursement Voucher

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1. Is the payment recipient a business, corporation, or partnership? If yes, use the service provider contract and issue a purchase order.
2. Is the recipient a current employee or has the recipient been an employee at any time in the same calendar year? If yes, payment must be processed through Payroll. See the Payments to Employees section below for the exception for those with unpaid appointments.
3. Is the recipient an adjunct instructor or providing significant instruction for a class, workshop, or studio? If yes, the guest speaker is considered an employee and must be paid through Payroll.
4. Are the recipient's engagements recurring? If yes, the individual may be considered an employee or service provider. To determine classification, reference the Contracts for Services guidelines in Section 700 for service providers performing services within the U.S. and internationally.
5. Is the recipient a H-1B, TN, and O-1 visa holder not sponsored by Cornell University? If yes, U.S. Citizenship and Immigration Services (USCIS) regulations are restrictive and payment, of any kind, IS NOT allowed.

If the payment qualifies as a guest lecturer fee, the guest lecturer must present an invoice; compensation may be paid via DV, using DV payment reason code E-Compensation for Services. When a request is made to reimburse the lecturer's travel, that reimbursement will be processed on a separate DV, using DV payment reason code N-Travel Payment for a Non-employee or direct travel payment may be issued on a university T&M card.

- Payments may not be donated or issued to third parties.
- Guest lecturer fees paid to employees, or individuals who have been an employee at any time in the same calendar year, must be processed through Payroll.
- If the payment is issued to a foreign national who is currently a J-1 teacher/researcher/short term scholar visa holder not sponsored by Cornell University, the recipient MUST PROVIDE a statement from the sponsoring institution granting permission to receive the service payment to ensure compliance with U.S. State Department regulations.

♦ **Caution:** The term "guest lecturer" does not include adjunct instructors or individuals providing significant or continuous instruction for a class or workshop; these individuals are considered employees and must be paid through Payroll.

- **Guest Speaker** – *an individual presenting at a meeting, graduation ceremony, conference, forum, speaker series, symposium, non-credit summer mini-course, or public presentation that is not part of an academic course or class.* The Guest Speaker agrees to speak at the event in exchange for a prescribed or negotiated fee.

When evaluating whether a payment qualifies as a guest speaker fee, the following questions can be used as guidelines. If you have answered "yes" to any of the below questions, the payment does not qualify as a guest speaker fee.

1. Is the recipient a current employee or has the recipient been an employee at any time in the same calendar year? If yes, payment must be processed through Payroll. See the Payments to Employees section below for the exception for those with unpaid appointments.
2. Is the recipient an adjunct instructor or providing significant instruction for a class, workshop, or studio? If yes, the guest speaker is considered an employee and must be paid through Payroll.
3. Are the recipient's speaking engagements recurring? If yes, use the service provider contract and issue a purchase order.

Buying Manual

Subject: Paying for Goods and Services that Do Not Require a PO

Title: Payment by Disbursement Voucher

Number: 203

Issued: February 9, 2009

Revised: November 7, 2022

4. Is the recipient hosting a virtual or in-person workshop? If yes, use the service provider contract and issue a purchase order.
5. Is the recipient a H-1B, TN, and O-1 visa holder not sponsored by Cornell University? If yes, U.S. Citizenship and Immigration Services (USCIS) regulations are restrictive and payment, of any kind, IS NOT allowed.

The guest speaker must present an invoice; compensation may be paid via DV, using payment reason code E-Compensation for Services. When a request is made to reimburse the speaker's travel, that reimbursement will be processed on a separate DV, using payment reason code N-Travel Payment for a Non-employee or direct travel payment may be issued on a university T&M card.

- If there is a written agreement that specifies the payee, the payment must be issued to that named payee.
 - If the services have not yet been performed and the speaker requests the payment be made to an agent, the agreement must be modified to reflect the appropriate named payee.
 - If there is no written agreement, payment must be issued to the named payee (individual or agent) on the invoice.
 - If the guest speaker is an employee or has been an employee at any time in the same calendar year, contact the Tax Office (tax@cornell.edu) for further guidance on how the payment should be processed.
 - If the payment is issued to a foreign national who is currently a J-1 teacher/researcher/short term scholar visa holder not sponsored by Cornell University, the recipient MUST PROVIDE a statement from the sponsoring institution granting permission to receive the service payment to ensure compliance with U.S. State Department regulations.
- **Honoraria** – one-time *payment(s) made in appreciation, primarily intended to confer distinction or to symbolize respect, which is not required by agreement and not a fee charged by the recipient.* If the fee is prescribed by the individual or if it is negotiated, an honorarium situation does not exist, rather a contract for services exists. Further, it is not appropriate to pay honoraria to individuals who make significant instructional contributions to a course, or to pay honoraria over several months, such as to visiting scholars. Honorarium payments are generally not allowable charges to federal funds unless a contract or grant specifically authorizes such payments. Examples include a special service or distinguished achievement for which propriety precludes setting a fixed price, such as a special lecture, participation in a workshop or panel discussion, or similar activities.

When evaluating whether a payment is an honorarium, the following questions can be used as guidelines. If you have answered "yes" to any of the below questions, the payment does not qualify as an honorarium.

1. Is the payment recipient a business, corporation, or partnership?
2. Was the payment amount negotiated between the University and the recipient?
3. Is there a contractual agreement?
4. Are the recipient's services recurring?
5. Is the recipient an employee or student employee? See the Payments to Employees section below for the exception for those with unpaid appointments.
6. Did the recipient set the price or fee?
7. Is the recipient a H-1B, TN, and O-1 visa holder not sponsored by Cornell University? If yes, U.S. Citizenship and Immigration Services (USCIS) regulations are restrictive and payment, of any kind, IS NOT allowed.

Buying Manual

Subject: Paying for Goods and Services that Do Not Require a PO

Title: Payment by Disbursement Voucher

Number: 203

Issued: February 9, 2009

Revised: November 7, 2022

Use DV payment reason code O-Honoraria. The honoraria must be charged to a Federal Unallowable object code. Honoraria payments to employees must be processed through Payroll. Payments may not be issued to third parties (e.g., agents, charities, etc.).

- If the payment is issued to a foreign national who is currently in the U.S., the recipient must complete the [Honoraria Attestation](#) to ensure compliance with IRS rules.
- If the payment is issued to a foreign national who is currently a J-1 teacher/researcher/short term scholar visa holder not sponsored by Cornell University, the recipient MUST PROVIDE a statement from the sponsoring institution granting permission to receive the service payment to ensure compliance with U.S. State Department regulations.

If the unit has agreed to pay for the travel of an individual receiving an honoraria, the travel may be paid directly (see [Section 307](#) for details regarding BSC direct payment of travel) or may be processed as a reimbursement using DV payment reason code N-Travel Payment for a Non-employee.

- **Human Participant Fees (i.e., fees for research subjects, survey participants)** - *payment to a participant in a study conducted by a Cornell faculty, staff or student* (not considered a payment for services). These payments may be made to employees via DV; payment through Payroll system is not required. Additionally, payments may be made with cash (see [Policy 3.21, Advances](#) for information on the use of a cash advance) or gift certificates/cards (see the [University Tax Office guidelines](#) and consult your business service center for appropriate payment options). See the Office of Research Integrity and Assurance website at www.irb.cornell.edu/ for further details on conducting research involving human participants.
- **Language Translation and Interpretation (including sign language)** - Requesting the payment via DV is acceptable even if the service provider is an employee. A DV may be utilized for a single engagement of a U.S. service provider when the service is performed within the United States. Use the Service Provider Contract for Language Translation and Interpretation and attach it to the DV. For ongoing projects, the Independent Consultant or Professional Services Agreement, as appropriate, will be attached to the requisition to set up a recurring purchase order.

♦ **Caution:** For information on utilizing foreign service providers and/or services being performed outside of the United States, see Section 700 Paying for Services – Getting Started.
- **Liquor for Resale** – *alcohol that is acquired for purposes of resale on campus* may be paid via DV as New York State law requires that the payment be made within 10 days of the sale.
- **Magazines, Periodical Subscriptions, Books** - generally paid by procurement card when amount is under the formal bid limit; when pcard is not an option, DV may be used to generate this payment.
- **Postage and Express mail** - generally paid by procurement card when amount is under the formal bid limit; when pcard is not an option, DV may be used to generate this payment.
- **Petty Cash Replenishment** – *Submission of receipts to replenish the minimal amount of cash kept on hand by a unit to pay for small expenditure items (\$25 and under) where use of a pcard is impractical.* See [University Policy 3.21, Advances](#), for further details.
- **Performer without Equipment** – *Individual(s) who performs for entertainment at a public event, includes disc jockey, clown, small band with instruments only, comedians, musicians with instruments only, mimes, etc.* A DV may be utilized for a single engagement of a U.S. service provider when the

Buying Manual

Subject: Paying for Goods and Services that Do Not Require a PO
Title: Payment by Disbursement Voucher

Number: 203

Issued: February 9, 2009

Revised: November 7, 2022

service is performed within the United States. Use the [Performer without Equipment Contract](#), which includes indemnification in lieu of certificate of insurance, attach it to the DV.

♦**Note:** Use object code 6615 for payments.

♦**Caution:** For information on utilizing foreign service providers and/or services being performed outside of the United States, see Section 700 Paying for Services – Getting Started.

- **Permit/License** – Building projects often require permission from the city of Ithaca (e.g., fences, retaining walls, site work, tent permit, sign application, etc.) Additionally, permits/licenses may be required when goods are being sold at an event and for special events (e.g., noise, assembly or parade, street closures, use of city property, alcohol, vending). This does not apply to licensing agreements or contracts, e.g., software licensing agreements, which require a purchase order.
- **Postage meter rental** – generally paid by procurement card when amount is under the formal bid limit; when pcard is not an option, DV may be used to generate this payment.
- **Post-Doctoral Fellowship** - payments made to a Post Doc fellow, generally supported by NRSA or similar training grants.
 - ♦**Caution:** Most payments to post-docs are classified as wages and will be paid through payroll. The unit cannot elect to make a payment to a post doc in this manner; the sponsor or external party supporting the post doc determines the treatment of the payment.
 - ♦ **Note:** For clarification purposes, please note the following methods of payment:
 - Post Docs (other than those supported by training grants or external fellowships, as described above): Pay through payroll using the title “Post Doc Associate”
 - Graduate stipends for assistantships or payments for other services: Pay through payroll
 - Graduate scholarship/fellowship (where no services required): Process as financial aid through PeopleSoft Financial Aid application
 - Graduate students, other payments: Process as financial aid through PeopleSoft Financial Aid application
 - Undergraduate students: Process as financial aid through PeopleSoft Financial Aid application
 - Payments to post docs, graduate and undergraduate students not described above: Contact tax@cornell.edu for instructions.
- **Prize** - *something that is awarded in a contest or won by chance.*
- **Public Utilities** – (e.g., NYSEG) ♦**Note:** Internet services are not considered a public utility and are not eligible for DV payment.
- **Refunds** - *Return of monies previously paid to Cornell* (i.e., overpayment of a parking ticket, conference cancellation)
- **Reimbursement** – *Returning the cost of a business expense that was incurred personally* ♦**Note:** The reimbursement method is to be utilized for travel and business meals, and not the procurement of goods and services. Incidental goods purchased during travel may be reimbursed along with the traveler’s normal transportation, lodging, and meals in accordance with [University Policy 3.2, Travel Expenses](#).
- **Restaurants** – *direct payment for business meals, not catered or hosted events.* Generally paid by procurement card or the Travel and Meal Card when amount is under the formal bid limit; when pcard

Buying Manual

Subject: Paying for Goods and Services that Do Not Require a PO

Title: Payment by Disbursement Voucher

Number: 203

Issued: February 9, 2009

Revised: November 7, 2022

or T&M card is not an option, DV may be used to generate this payment.

♦**Caution:** When a meal is being provided for a group in a restaurant or other facility where the establishment is reserved only for Cornell and its guests, and not open to the general public, the event will require the issuance of a purchase order.

- **Royalties, Permission Fees, Commissions** - *Fees paid for use of a right (e.g., publish or reprint a photo or an article, use a play script or musical for a stage performance, use of a musical composition).* Requesting the payment via DV is acceptable even if the payee is an employee. The Service Provider Evaluation described in Section 700 is not needed. The unit requesting this type of payment should have a written agreement with the payee. Attach the agreement to the DV.
♦**Caution:** Paying a service provider to create a work of art (e.g., take a photo, write a play, compose music) is compensation for services and requires a purchase order and contract. For individuals performing a play or piece of music, see Performers without Equipment above.
- **Seminar and Convention Registration fee** - generally paid by procurement card when amount is under the formal bid limit; when pcard is not an option, DV may be used to generate this payment.
- **Taxes**
- **Temporary employment agencies**
- **Writers, Editors, Indexers of scholarly publication, book, or Cornell magazine** –A DV may be utilized for a single engagement of a U.S. service provider when the service is performed within the United States. Use the Service Provider Contract for Writing, Editing, Indexing and attach it to the DV. For ongoing projects, the Independent Consultant or Professional Services Agreement, as appropriate, will be attached to the requisition to set up a recurring purchase order.

♦**Caution:** For information on utilizing foreign service providers and/or services being performed outside of the United States, see Section 700 Paying for Services – Getting Started.

When a unit agrees to reimburse the travel expenses of an individual who is also receiving another payment type listed above, two separate payments will be made. The payment type listed above (e.g., guest lecture fee, honoraria) is recorded on the DV as a “Direct Payment”, while the travel expense portion is processed as “Reimbursement for Expenses.”

Direct any questions on tax and withholding to the Tax Manager in the University Controller's Office at tax@cornell.edu.

Payment by Disbursement Voucher

Disbursement Voucher: Direct Payment by Check or Other Equivalent Electronic Methods

For those goods and services eligible for direct payment, the payment will be requested using the KFS Disbursement Voucher. Please refer to the [Financial Transaction SOP: Financial Processing, Disbursement Vouchers](#).

Requesting a New Vendor

If the vendor that you are paying is not already in the system, see [Section 205 Vendor Setup](#).

Payments to Employees

An individual who is currently an employee, or who has been an employee in the current calendar year, will be paid for services through Payroll unless:

- The description of the payment type above specifically notes that requesting the payment via DV is acceptable even when the service provider is an employee; or
- The employee operates a business under a federal employer identification number and the work performed differs from the employee's Cornell-related job responsibilities; or
- The employee has an appointed unpaid position in Workday.

Direct questions to the Tax Manager in the University Controller's Office at tax@cornell.edu

Payments to Students

Prizes and Awards

Students who are receiving taxable prizes or awards should be set up as DV vendors. PaymentWorks should be used to register students for taxable payments. For surprise awards, please send the PaymentWorks registration email after the award has been presented.

Payments for Services

- All payments to **Cornell students for services rendered in the U.S.**, must be processed through payroll as temporary or casual employee payments. This applies to both students currently on payroll and students not currently on payroll.
- If the **Cornell student has a business under their social security number**, then the payment for service must be processed through payroll as temporary or casual employee payments.
- In those limited instances when a **Cornell student has an incorporated business (legal entity) with a federal employer identification number**, then follow the standard paying for services process and issue a contract and purchase order to the business. Follow the paying for services process defined in Buying Manual section 700 (see also <https://www.dfa.cornell.edu/procurement/tools-forms/forms/contracts>).
 - Only three service contracts used for one-time engagements – Language Translation and Interpretation (including sign language), Performer without equipment, and Writer, Editor, Indexer – are eligible for disbursement voucher payment. All other contracts and agreements require the issuance of a purchase order, including the Services Provider contract used for workshops.

Buying Manual

Subject: Paying for Goods and Services that Do Not Require a PO

Title: Payment by Disbursement Voucher

Number: 203

Issued: February 9, 2009

Revised: November 7, 2022

- Additionally, when engaging a service provider for recurring or multiple engagements, use the appropriate consulting agreement (i.e., Independent Consultant, Professional Services, or IT Professional Services) and issue a purchase order.
 - U.S. service providers will receive the tax reporting document 1099. Foreign national service providers will receive the tax reporting document 1042-S.
- All payments made to **students performing services outside the U.S.** must first contact Global Operations using the Navigate web tool to be sure that the payment is allowed. Follow the international IC process. For tax reporting purposes, please indicate in the business purpose and line-item description that the service will be/was provided outside of U.S.
- Payments for services by External Organizations are not eligible for PaymentWorks vendor registration tool, discounted pricing (e-SHOP), or use of Cornell contracts (purchase order, service provider contracts, or consulting agreements).

Payment Options for Business Travel

All Cornell business travelers are required to comply with university policies, including but not limited to [University Policy 3.2, Travel Expenses](#) and [University Policy 3.14, Business Expenses](#). Travelers should familiarize themselves with these policies before planning and commencing travel for the university.

Cornell employees whose job requires them to travel may be eligible for a Travel and Meal card. This is a corporate liability credit card with no annual fee. For more information on the benefits of the travel and meal card and the application process, please review [Section 350, Travel and Meal Cards Introduction](#) and [Section 351, Travel and Meal Cards Responsibilities](#).

Employees who travel on university business may be eligible to obtain a university cash advance. See [University Policy 3.21, Advances](#), for further details.

Reimbursement

Cornell business travelers generally pay their travel expenses using their travel and meal (T&M) card or personal funds. Charges to the T&M card are automatically uploaded to Concur. Travelers will complete a Concur expense report within 30 business days of return from travel. Personal payment followed by reimbursement is not the appropriate payment method of procurement of goods and services.

Payment Options for Business Travel

To streamline the payment of business travel expenses and reduce the instances where an advance is required, the University will pay directly for certain travel expenses. See below for a summary of payment options for travel-related expenses.

- Airfare – Use your T&M card or contact your BSC. Groups of three or more employees and visitors/guests have additional payment options; contact your BSC to discuss. See the Travel Portal at travel.cornell.edu for links to authorized travel agencies and further details about making reservations.
- Bus, campus to campus - Transportation between Ithaca and the New York City campus (Weill Cornell Medical College) can be reserved and directly billed to a university account through the Transportation and Mail Services website at www.c2cbus.com/.
- Bus, chartered – **A purchase order is required.** Buses chartered for groups require proof of insurance and a contract and must not be paid for by an individual traveler; contact your BSC. Charter buses and limousines for 9 or more passengers are not eligible for procurement card or travel and meal card use.
- Bus/Amtrak, individual – Use your T&M card; direct billing is not available for individual employee travelers for bus or Amtrak transportation. For groups of three or more or for visitors/guests of the university, contact your BSC.
- Conference registration fees – Use a procurement card or a T&M card for these fees.
- Hotel Room Block – *a set of hotel rooms that has been set aside for a group or event at an agreed upon nightly rate and usually with a minimum usage requirement.* A deposit is typically required in advance to hold the room block and may be paid on a travel and meal card or a BSC procurement card.

Caution: Invoices that include meeting rooms or other spaces for events, and/or catering require a contract and are NOT allowed to be paid via DV. See section 700, Paying for Services.

- Limousine/Car service - A car service, for less than 9 total passengers, is eligible for T&M card payment.

Buying Manual

Subject: Paying for Goods and Services that Do Not Require a PO

Title: Payment Options for Business Travel

Number: 204

Issued: February 9, 2009

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- Lodging – Direct billing for lodging is available for a limited number of hotels, primarily in Ithaca and New York City. See the Travel Portal at travel.cornell.edu for the most up-to-date listing of hotels. For groups of three or more or for visitors/guests of the university, contact your BSC to discuss.
- Rental Cars – Use your T&M card. No method of direct billing is available for rental cars.

Vendor Setup Procedures for BSC Staff

Before registering a new vendor, you will have:

- Determined the appropriate payment method using the Flowchart in section 200
- Determined that a [preferred or contract supplier](#) is not available for the good or service
- Confirmed that the requested supplier is not in Cornell's electronic marketplace, [e-SHOP](#)
- Determined that an existing supplier is not available by using Find a Supplier in [Spend Viz](#). Use the key word search or commodity code search to identify registered suppliers who have provided the commodity. You may refine your search to identify preferred/contract, e-SHOP, diverse, or New York State certified MWBE suppliers.

Step 1. Conduct vendor search to determine if the “new” vendor is already registered with Cornell

1. **KFS Vendor Search** – To make a disbursement voucher payment (such as, refund, reimbursement, petty cash, or direct payment) or to request a purchase order to a company or an individual, please search the Kuali Financial System (KFS) vendor database before requesting that a new vendor be setup.
2. **Vendor Inquiry** – Available in [Spend Viz](#) on the web for anyone with a Cornell NetID. Similar to the KFS Vendor Search, this tool allows you to search by name or partial name.

If a supplier is not available in KFS, then you may request a new supplier. Please be sure to provide as much information as possible about the supplier (e.g., vendor name, complete address, telephone, fax, and e-mail address) on the KFS Requisition (REQS) or I Want Doc (IWNT).

KFS Search Tips:

Vendor Lookup ⓘ Create New

Vendor Name: <input type="text"/>	US Tax Number: <input type="text"/>
Foreign Tax Id: <input type="text"/>	Vendor #: <input type="text"/>
Active Indicator: <input type="radio"/> Yes <input type="radio"/> No <input checked="" type="radio"/> Both	Vendor Type: <input type="text"/>
State: <input type="text"/>	Country of Incorporation/Citizenship: <input type="text"/>
Commodity Code: <input type="text"/>	Supplier Diversity: <input type="text"/>
Vendor Contract Number: <input type="text"/>	Debarred: <input type="text"/>
Default Payment Method: <input type="text"/>	

Search Clear Cancel

- Use the asterisk wildcard (*) before and after the keyword.
- Enter less information in the search field, then add additional information to refine your search results.
 - For example, if you are looking for *The Cornell Store*, begin by searching for *Cornell*. You will see nearly 200 search results using this keyword search, so you may refine your search by entering *Cornell Store* in the vendor name search field.

Buying Manual

Subject: Paying for Goods and Services that Do Not Require a PO

Title: Vendor Setup

Number: 205

Issued: July 8, 2010

Revised: July 1, 2019

- Begin search for an individual by using the last name only, e.g. *smith*.
- Narrow the results for an individual, by adding a first name, e.g. *smith, john*.

Step 2. Determine KFS vendor type

The KFS vendor type is determined by the type of payment(s) being made to the vendor. Please refer to the chart below:

KFS Vendor Type Code	KFS Vendor Type Description	Use this vendor type for:
DV	Disbursement Voucher	Taxable, reportable payments, or those payments covered by delegated spend as prescribed in sections 201 & 203 of the Buying Manual. Approval from the unit with delegated authority must accompany any request for payment per section 201.
RV	Refund & Reimbursements Only	Refunds and out-of-pocket reimbursements; do not use this vendor type if you anticipate making a future DV payment, e.g., an honorarium or speaker fee
RF	Petty Cash Custodian	Those staff members who are responsible for handling petty cash drawers
SP	Special Payments authorized by Tax Manager	The University Tax Office has designated this vendor type for the following entities only: federal, state, local, or foreign governments; vendors with "Tax Collector" in their name; K-12 public schools; and foreign embassies
PO	Purchase Order	The purchase of all goods and services except those contained in sections 201 & 203 of the Buying Manual

If you need to change a vendor's type, e.g., from DV to PO, please enter the vendor name and number in the requisition notes.

Step 3. Determine setup method and IRS form requirements

Disbursement voucher payees and purchase order vendors may be invited to register through our online registration portal or entered manually in KFS. The appropriate registration method varies based on the KFS vendor type. See the instructions and IRS form requirements in the table below.

KFS Vendor Type	Setup Method	Paper IRS form (W-9 or W-8) required?	Substitute W-8 allowed?	Additional Info
DV Disbursement Voucher	Online registration portal (PaymentWorks). <i>PaymentWorks provides validation of taxpayer identification numbers, addresses, and bank accounts, performs OFAC screening, includes a substitute W-9 and requires an uploaded W-8.</i>	Required for manual setup only.	Never allowed for students. See limited conditions below.	KFS requires a taxpayer identification number (i.e., social security or federal employer identification number) to create a new domestic vendor.
RV Refund & Reimbursement	Manual process	No	No	Documentation of name and address should be attached to the submission for verification.
RF Petty Cash Custodian	Manual process	No	No	Should use a Cornell remittance address.
SP Special Payments	Manual process	No	No	
PO Purchase Order	Request on requisition – Procurement will use online registration portal (PaymentWorks) to register new vendor	Required for manual setup only.	Never allowed for Students. See limited conditions below.	KFS requires a tax identification number (i.e., social security or federal employer identification number) to create a new domestic vendor.

Note: If a foreign vendor is set-up in KFS without an IRS Form W-8 or substitute W-8, the University Tax Office is required by IRS regulations to withhold 30% from payments to the vendor/payee.

Conditions for utilizing the Substitute W-8 (Certificate of Foreign Status Form)

- This substitute form can ONLY be used with foreign payees or vendors when services and/or purchases of goods are 100% foreign, meaning at no point will that individual/company come into the United States at all.
- This form will only be used with foreign payees or vendors who provide services, or we purchase goods from, **100% outside of the country for the entirety of the contract.**
- If at any point during the contract there will be services which may be performed within the United States, then this form will not be allowed to be utilized.

- If at any point during the contract the terms change and the source of the services or products change to be in any way domestic sourced, a W-8 series form must be completed before payment can be processed.
- This form cannot be accepted without signature.
- This substitute form **may not be used for any type of payment made to a student**, including prizes and awards.
- If you have tax specific questions, send an email to tax@cornell.edu.

To access the form, visit the Tax Office website at <https://www.dfa.cornell.edu/tax/fordepartments/tax-forms>.

Step 4. Vendor setup processes by KFS vendor type

Domestic and Foreign Vendors

1. DV – Disbursement Voucher Vendors

- a. Using PaymentWorks, the BSC staff member sends an email invitation to the vendor so the vendor may complete the automated registration process
- b. The vendor should follow the instructions in the email invitation to complete the two-step registration process
- c. The information submitted in PaymentWorks will automatically route to the vendor reviewer in Procurement for approval
- d. Neither the unit nor the BSC should request a W-9 from the vendor unless instructed to do so by Procurement.

2. RV – Refund & Reimbursement Vendors

- a. If you are processing a travel reimbursement and you anticipate that a taxable, reportable payment will also be made to the vendor, e.g., a speaker fee, then set up as a DV vendor.
- b. The BSC staff member will manually enter the vendor's information in the KFS vendor e-doc and submit it for approval.
 - i. A W-9 is not required for Refund and Reimbursement vendors; therefore, neither the unit nor the BSC should request a W-9 from the vendor.
 - ii. Documentation of vendor name and address should be attached to the submission.
- c. Do not code as Foreign as Cornell has no tax reporting responsibilities for the types of transactions authorized for Refund and Reimbursements.
 - i. If the vendor is foreign, add a note to the Notes and Attachments tab indicating the vendor's foreign status and country of citizenship/incorporation.

3. RF – Petty Cash Vendors

- a. The BSC staff member will manually enter the vendor's information in the KFS vendor e-doc and submit it for approval.
 - i. A W-9 is not required for Petty Cash vendors; therefore, neither the unit nor the BSC should request a W-9 from the petty cash custodian.
- b. The remit address must be a Cornell address.
- c. Address line 1 must include the words Petty Cash along with the name of the unit, e.g., Petty Cash - SAS Business Service Center.

4. SP – Special Payments

- a. Tax Office approval for this payment type must be attached to the vendor e-doc.
- b. The BSC staff member will manually enter the vendor's information in the KFS vendor e-doc and submit it for approval.
 - i. A W-9 is not required for Special Payment vendors; therefore, neither the unit nor the BSC should request a W-9 from the vendor.

Buying Manual

Subject: Paying for Goods and Services that Do Not Require a PO
Title: Vendor Setup

Number: 205

Issued: July 8, 2010

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5. PO – Purchase Order

- a. The requisition initiator should include the vendor's contact information, including email address, on the requisition.
- b. When the requisition routes to Procurement, a procurement agent or assistant will use PaymentWorks to generate an email registration invitation to the vendor.
- c. The vendor should follow the instructions in the email invitation to complete the two-step registration process.
- d. The information submitted in PaymentWorks will route to the vendor reviewer in Procurement for approval.

Alternative: Manual process for creating Disbursement Voucher and Purchase Order Vendors.

If a vendor or payee refuses to complete the PaymentWorks registration process, please follow the process below:

1. Email support@paymentworks.com to cancel the invitation.
2. Be aware that social security numbers are classified as high-risk data per University Policy 5.10 Information Security.
 - a. Request that the payee/vendor submit the completed IRS form via drop box, US Mail, or secure fax. Email is not a secure method of transmission.
 - b. The scanned W-9 or W-8 form must be deleted from your hard drive after it has been attached to the vendor e-doc.
 - c. Paper copies of the W-9 or W-8 forms should be shredded when no longer needed.
3. Request the appropriate forms in compliance with CIT Sensitive Data Storage and Transmission guidelines.
 - a. Domestic or resident alien – IRS Form W-9
 - b. Foreign – IRS Form W-8, W-8BEN-E, or Certificate of Foreign Status form
 - c. Vendor information form (purchase order vendors only)
4. Attach the completed form to the appropriate vendor e-doc. **Do not e-mail W-9 or W-8 forms.**

Compliance with IRS requirements

IRS Form W-9 for Domestic Payees and Vendors:

In compliance with IRS regulations, Cornell University must obtain a payee's correct taxpayer identification number and legal name as it appears on their federal income tax return to report taxable, reportable payments made to vendors and individuals. IRS Form W-9 must be obtained from any vendor that is an individual who is a United States citizen or resident alien or a business entity organized in the United States. If a vendor/payee registers via PaymentWorks, the W-9 information is collected and there is no need to collect a paper form.

IRS Form W-8 for Foreign Payees and Vendors:

The IRS forms for foreign payees can be found on the IRS website at www.irs.gov. Per IRS regulations, the W-8 submitted must be the latest version that appears on the IRS website at www.irs.gov; otherwise, we cannot accept it. All versions of IRS Form W-8 expire three years after being signed.

Required W-8 Versions

Ownership Type	IRS Form Required
Foreign individual	W-8BEN
Foreign business entity (corporation)	W-8BEN-E
Foreign non-profit or government organization	W-8EXP
Foreign partnership	W-8IMY
Foreign person who claims his/her income is effectively connected with the conduct of trade or business in the US	W-8ECI

Questions on foreign status, tax or withholding shall be directed to the Tax Manager at tax@cornell.edu.

Responsibilities for Vendor Set-up

End Users:

- **End users should NOT request W-9s or W-8s** unless requested to do so by the BSC or Procurement. This will only happen if the BSC or Procurement has trouble obtaining the required documentation from the vendor.
- Determine if there is an established supplier who provides the needed good or service.
 - a. Use [Find a Supplier](#) to identify a registered supplier who has provided the needed good or service.
 - b. Check the [Preferred and Contract supplier list](#) to determine if a supplier relationship has been established for the needed good or service.
- Complete the I Want document or follow the process outlined by your BSC. Include all contact information for the vendor you want to use. At a minimum, include the vendor's name, email address, fax number and telephone number.

BSC Staff Members:

- The PaymentWorks vendor initiator role has been assigned to BSC staff for disbursement voucher payees as defined in Buying Manual sections 201 and 203.
- The KFS vendor initiator role has been assigned to BSC staff for disbursement voucher payees (i.e., DV, RV, RF, SP vendor types).
- BSC staff will use PaymentWorks to set-up domestic and foreign DV vendors.
- **BSC staff will not request W-9s or W-8s from vendors** unless expressly asked to do so by Procurement or if the vendor refuses to complete the PaymentWorks registration process.
- BSC staff will use the KFS vendor e-doc, i.e. the manual process, to set up Petty Cash (type RF) vendors or Refund & Reimbursement (type RV) vendors.
- BSC staff will request domestic and foreign PO vendors on the requisition. Include all contact information for the vendor – especially the vendor's name and email address.

Procurement Services:

- Procurement and Payment Services is responsible for maintaining the KFS vendor database.
- The PaymentWorks and KFS vendor initiator roles have been assigned to Procurement staff for purchase order vendors (PO vendor type).
- Procurement will use PaymentWorks to set up all domestic and foreign PO vendors.
- If the requisition does not include sufficient information for Procurement to send the automated registration invitation to a vendor, Procurement may disapprove the unapproved purchase order.
- The vendor reviewer will review all new, updated, edited vendor documents in PaymentWorks and KFS and correct, approve, or disapprove the request.

PCard

Introduction

A procurement card (also known as a “pcard”) is a credit card issued by a financial institution to an organization to make direct purchases from vendors. The card is issued in an employee’s name and may be used for certain low-dollar, business-related purchases, where the good or service is not available through e-SHOP. There are per transaction and monthly dollar limits on the cards, as well as certain goods and services that are prohibited from payment by pcard. Since the pcard is a university liability, the bill is paid centrally by Cornell for all balances; no purchase order or reimbursement process is necessary.

All pcard purchases must be for business purposes only and in full compliance with other university policies, particularly [University Policy 3.14, Business Expenses](#). The cardholder is responsible for providing documentation of all purchases on the card, as described in Section 303 Documentation Requirements, and for ensuring that any expense paid by pcard is not otherwise submitted for reimbursement or used for any inappropriate purpose.

A file of pcard transactions is provided by our issuing bank each day. When the transactions in this file are uploaded to Cornell’s financial system (Kuali Financial System or KFS), one email notification is sent to the cardholder for each transaction on his/her pcard. The cardholder will respond to this email within 10 days by selecting a link within the email to access the PCard Receipt Processing System. This system makes it easy for cardholders to submit documentation electronically. Cardholders will upload an electronic version of any required receipt and enter the business purpose and account(s) to be charged.

♦ **Caution:** Failure to use the pcard in compliance with university policy, including the terms outlined in this manual, can result in the suspension or revocation of the pcard and possible disciplinary action. Fraudulent use of the pcard can result in employee termination, expulsion from school (for students), and criminal charges.

♦ **Note:** The terms and conditions associated with a purchase order provide certain legal protection to the university and therefore, there may be instances where the cardholder chooses to request a purchase order rather than utilizing a pcard. Consult your Business Service Center if you believe a purchase order may be the best method of procurement for your intended purchase.

Eligibility

Only those individuals whose job description supports the need to make frequent business-related purchases are eligible to apply for a procurement card. Cards are generally issued to regular, full-time, staff members; however, all applications are evaluated based on need (e.g., types of goods/services needed, number of potential transactions, other payment options, prior history of pcard use and, in rare instances, the credit worthiness of the applicant.) Details of the application process are provided later in this document.

◆ Cautions:

- An individual who approves procurement card transactions in KFS (i.e., Fiscal Officer or primary/secondary delegates for PCDO's) may NOT hold a procurement card because effective internal controls require separation of duties.
- An individual may be issued only one procurement card per unit served by the same Business Service Center (BSC).
- Cardholders may not transfer the pcard to a new position. A new position, with different responsibilities and a new supervisor, requires completion of the pcard application process if the use of a pcard is requested.
- Individuals, who have previously had a write-off on a corporate travel card account, are not eligible to hold a pcard.

Eligibility for \$5,000 pcard

This card limit is available for select staff with procurement responsibilities in the following areas:

- Facilities Procurement
- Cornell High Energy Synchrotron Source (CHESS)
- Cornell Laboratory for Accelerator-based Sciences and Education (CLASSE)
- Laboratory of Atomic and Solid-State Physics (LASSP)
- Cornell University Hospital for Animals (CUHA)
- Animal Hospital Diagnostic Center (AHDC)
- Johnson College of Business Hotel Finance
- Enterprise units with delegated spend authority, as listed in Appendix B of University Policy 3.25 Procurement of Goods and Services. **The higher limit is restricted to the specified delegated spend area only.**

To be eligible for the card, the Senior Finance Group member must approve the higher limit and the employee must meet both of the following criteria:

- Not have any known pcard policy violations in the prior 24 months
- Be employed in a purchasing role in one of the units identified above

Dollar Threshold

A dollar limit applies to each transaction on a pcard, and a monthly limit applies to the total purchases made within one monthly cycle (cycle ends approximately the 15th of each month). Standard pcard limits are as follows:

- Regular cardholder:
 - \$500 per transaction; \$5,000 per month
 - \$1,500 per transaction; \$10,000 per month (requires SFG approval)
 - \$5,000 per transaction; \$50,000 per month (requires SFG approval and has unique eligibility criteria listed above)
- BSC cardholder: \$10,000 per transaction; \$100,000 per month

Buying Manual

Subject: Paying for Goods and Services that Do Not Require a PO

Title: Eligibility and Dollar Thresholds

Number: 301

Issued: February 9, 2009

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A cardholder must never "split" the cost of one single item (whether good or service) into multiple payments in order to circumvent the per transaction limit on the pcard. In addition, cardholders must not make multiple purchases of the same item such that the total combined value of the purchases would require the completion of a bid through Procurement Services (see [The Purchase Order Process section](#) of this manual for details on the bid process). If a cardholder needs to make a purchase that is not appropriate for the pcard, he or she will consult the BSC representative or unit purchasing specialist to determine the best procurement method for the purchase.

◆ Notes:

- Monthly cycle limits may be increased if the level of spending and compliance warrant.
- Transaction limits may be increased only in rare circumstances when there is a compelling business need and/or in cases where the unit has been delegated spend authority by Procurement Services. Requests will be made to Credit Card Programs by the cardholder's/applicant's BSC Director.

Prohibited Transactions

Certain transactions are prohibited on procurement cards because the good or service requires additional review for reasons of tax, insurance, a contract or other regulatory issues. Prohibited transactions may result in suspension or revocation of the procurement card, or other disciplinary action.

♦ **Note:** If paying for services, consult the [Purchases with Special Procedures: Paying for Services](#) section of this manual.

Type of Purchase	Description
Animals and Custom Antibodies	Live vertebrates and custom antibodies require pre-transaction review per University Policy 1.4, Care and Use of Animals in Teaching and Research . Only individuals employed in a BSC, who record these transactions in the Cayuse Animal system, may utilize pcard for the payment of animals.
Architectural and Engineering Services	In accordance with Cornell policy, authority for these transactions requires the additional review of the University Architect. Only those individuals employed in Contracts and Capital Projects, or their BSC, may execute these transactions via pcard.
Audit Services	In accordance with Cornell policy, authority for this transaction requires the additional review of the University Auditor. Only those individuals employed in the University Audit Office, or their BSC, may execute these transactions via pcard.
Capital Assets	The purchase of capital assets require recording in the capital assets system per University Policy 3.9, Capital Assets .
Cash Advances	Cash advances of university funds require pre-transaction review per University Policy 3.2, University Travel and, therefore, are not allowed on pcard. Cash cannot be obtained through an ATM, nor will cash transfers through a third-party, such as, Wester Union or Xoom, be allowed.
Catering	<p>Catering occurs when a vendor prepares, sets up, serves or cleans up food on Cornell controlled property, including both facilities owned by Cornell and facilities that may be rented or leased and only under Cornell's control for the period of the event, i.e., rented banquet facility. Catering should not be confused with simple food delivery where no service is provided on site, i.e., pizza delivery.</p> <p>Catering may not be paid via individual pcard unless the caterer has signed a University Contract. To determine if your caterer has signed a University Contract, see the "Caterer and Restaurant List" on the Procurement website and check the "Caterers and Restaurants with Pricing Agreements" section. For amounts above your pcard limit or for caterers who have not signed a University Contract, see your BSC for payment and deposit options and contract requirements.</p>

Type of Purchase	Description
Conflict of Interest, Vendor	Purchases from vendors where a potential conflict of interest exists require pre-transaction review, per University Policy 4.14, Conflicts of Interest and Commitment .
Controlled Substances	A controlled substance is generally a drug or chemical whose manufacture, possession, or use is regulated by federal and/or state government. A purchase order and appropriate license and registration are required. See section 628, Controlled Substances.
Cornell Unallowable Goods/Services	Purchases identified as Cornell unallowable in University Policy 3.14, Business Expenses , are not allowed, regardless of the source of funds or mode of payment.
Deposits/Partial Payments	Do not make partial payments where the total value of the purchase exceeds your procurement card transaction limit.
Donations	Any voluntary contribution of cash or property to any organization outside of the university, regardless of source of funds. All donations over \$500 require pre-approval by University Relations. Donations may not be paid via pcard; see your Business Service Center for payment options.
Employees	Per IRS tax guidelines, you may not pay: 1. A current employee via pcard 2. An individual who has been employed by Cornell at any time in the current calendar year via pcard
Equipment Rental	The issuance of a purchase order is required for the rental of any type of equipment that is powered by gas or other fuel, electricity, or battery, for example, lift, bulldozer, backhoe.
e-SHOP Vendors	Do not use your pcard to purchase from a vendor that is available in e-SHOP. Exception: If the supplier's site within e-SHOP does not offer the needed item or a needed function (e.g., expedited shipping, bundling, or configurable products), you may use your pcard to purchase directly from the e-SHOP supplier as long as the intended purchase is otherwise allowed on pcard. Include the reason for purchasing outside of e-SHOP in your documentation.
Gifts Cards/Certificates	Gifts cards and /or certificates are generally classified as taxable income by the IRS and may not be purchased with a procurement card. Contact your BSC for guidance.
Insurance	You may not pay for insurance premiums, co-payments, deductibles, or services with your procurement card. For information on purchasing insurance, please contact Risk Management and Insurance. Only those individuals employed

Type of Purchase	Description
	in Risk Management and Insurance, or their BSC, may execute these transactions via pcard.
Investment Services	In accordance with Cornell policy, authority for these transactions requires the additional review of the university's Investment Office. Only those individuals employed in the University Investments Office, or their BSC, may execute these transactions via pcard.
Lasers	The purchase of any type of laser requires reporting and potentially training by Environmental Health and Safety, and therefore, lasers may not be purchased via pcard. Lasers may be purchased through e-SHOP or on a purchase order. Use a commodity code of 41115307 on the requisition.
Legal Services	In accordance with Cornell policy, authority for these transactions requires the additional review of the Office of University's Counsel. Only those individuals employed in the Office of the University Counsel, or their BSC, may execute these transactions via pcard.
Medical Services	Due to tax reporting requirements, medical services (i.e., physician, surgeon, ophthalmologist, etc.) may not be paid via pcard.
Non-Preferred Suppliers	Do not use the pcard to purchase goods and services from a non-Preferred Supplier, where the good or service is available from a Preferred Supplier.
Parking	<p>The pcard may not be used to pay for parking for individual faculty, staff or students.</p> <p>Note: Parking fees through ParkMobile may be paid via pcard for incoming guests and visitors with prior approval. Cardholder's supervisor should send an email request to pcard@cornell.edu at least 2 business days in advance of the payment in order to provide Card Programs with adequate time to open the appropriate merchant codes related to parking.</p>
Personal Expenses	Do not purchase any good or service that is primarily for personal use. Use of this card for personal expenses is governed by University Policy 3.6, Financial Irregularities . Using the card in this manner with the intention of reimbursing Cornell is NOT an acceptable practice. Caution: Many items lend themselves to personal use, such as magazines and newspaper subscriptions. It is the cardholder's responsibility to provide documentation to support that the purchase of an item that lends itself to personal use is essential to fulfilling his or her job responsibilities.
Pest Control	These services must be coordinated with the customer service center in the Department of Facilities Management, due to the potential use of pesticides. Contact your local building

Type of Purchase	Description
	<p>coordinator. Only those individuals employed in the Department of Facilities Management, or their BSC, may execute these transactions via pcard.</p>
Radioactive Materials	<p>Environmental Health & Safety must approve all requests for radioactive materials prior to an order being placed with a vendor. See the "Radiation Safety Manual" for further information on purchasing radioactive material.</p>
Real Estate Services, Purchase, Rental, etc.	<p>In accordance with Cornell policy, authority for these transactions requires the additional review of the university's Real Estate Office. Only those individuals employed in the Real Estate Department, or their BSC, may execute these transactions via pcard.</p>
Refund or Reimbursement	<p>The pcard is intended for the payment of good and services only and is not to be used to send funds to an individual for a refund or reimbursement. For more details on the appropriate method for initiating a refund or reimbursement, see section 203.</p>
Security Systems, Building	<p>Building security systems must be coordinated through the Cornell Police, and must not be purchased with a procurement card.</p>
Services Performed on University Property	<p>Nearly all services, regardless of where they are performed, require both a contract and verification that the vendor meets the university's insurance requirements. Therefore, pcard holders may not pay for services being performed on university owned or controlled property, except those services that are being performed by a vendor who has signed a university contract and whose services are not already specifically prohibited.</p> <p>Contracted vendors performing the services listed above may be found on Procurement Services' web site at http://www.dfa.cornell.edu/procurement/supplierlistview.</p> <p>Contact your BSC to discuss the appropriate payment for any other service PRIOR to engaging the service provider.</p>
Software, Software Licenses, Software as a Service, Cloud Services	<p>Before any IT applications, software, or services are purchased, the university's IT Governance process must be followed regardless of dollar amount. Any purchase that requires a signed contract must be processed on a purchase order. Software purchases with click-through agreements require the completion of the IT Statement of Need (SoN) process and approval from the IT Project Management Office; once approved, the software may be purchased on a pcard.</p> <p>For purchases that require an SoN, pcard documentation must include the "next steps" email sent from the IT Project Management Office confirming what steps from the Checklist</p>

Type of Purchase	Description
	<p>for Purchasing Administrative IT Software and Services were required, and documentation showing the outcome or results of those steps.</p> <p>For purchases allowed on pcard that don't require a SoN, please document the exception when you submit your business purpose and/or receipt.</p> <p>Refer to:</p> <ul style="list-style-type: none"> Submitting an IT Statement of Need (SoN) at https://it.cornell.edu/itgovernance-project-management/2-submit-it-statement-need. Scenarios when an IT Statement of Need is or isn't required at https://it.cornell.edu/itgovernance/scenarios-when-it-statement-need-or-isnt-required <p>For more guidance, please see section 618, IT Governance Process.</p>
Travel-Related Expenses	<p>Any travel-related purchase or rental is prohibited (e.g., hotel, motel, airline, train, bus, taxi, limousine, or cruise fare; rental of vehicle or any type of watercraft; fuel for vehicles not owned by the university; road tolls of any kind; travel agency purchase; parking lot fees). Certain travel-related merchants have been blocked from accepting procurement cards.</p> <p>Note:</p> <ol style="list-style-type: none"> Conference registration fees may be charged to your procurement card if the fee does not exceed your transaction limit. For university owned vehicles and equipment in or near Ithaca, fuel can also be obtained at the university's Fuel Station at 209 Solidago Road. For information on setting up an account, contact fleet@cornell.edu. Special exceptions have been granted to BSCs. If you are planning a group or visitor travel, contact your BSC.
Travel Meals	<p>You may not charge meals to your procurement card while you are traveling for the university if that travel includes an overnight stay.</p>
Vehicle Rental	<p>The rental of any type of car, truck (including moving truck), van, bus, or limousine is prohibited on pcard. This includes both rentals while in travel status and locally.</p> <p>Note:</p> <ol style="list-style-type: none"> Towing services may be paid via pcard for any university owned, rented, or leased vehicle. For rental vehicles, always contact the rental company first to determine their preferred process for arranging towing services. The Travel and Meal Card is also an option for the payment of towing services for a rental vehicle.

Documentation Requirements

Documenting Procurement Card Transactions

Cornell requires procurement card holders to submit sufficient documentary evidence for purchases on procurement cards in order to comply with university policies, sound business practices, and the requirements of external and internal reviewers. Cardholders will receive an email from the PCard Receipt Processing System for each transaction on the card and will provide required documentation via the PCard Purchase Documentation Submission form in response to this email, within 10 days. Sufficient documentary evidence includes certain **original receipts** (see number 1 below) and an **explanation of business purpose** (see number 2 below.)

1. An **“original” receipt** is based on what a particular vendor generally provides as proof of purchase, for example: cash register tape, detailed packing slip, copy of an order form (for registrations, applications, subscription, etc.), web receipt or email acknowledgement from vendor, etc. Receipts should include description of item(s) purchased, vendor name, date, quantity, unit price, and total cost. If any relevant information is not included on the receipt, the cardholder will include the missing details within the Business Purpose section of the PCard Purchase Documentation Submission form (see “Electronic Submission of Documentation” at the end of this section).

An **original receipt** is required at ALL dollar amounts for pcard transactions charged (or transferred) to sponsored awards (fund CG) and ALL federal appropriations (sub fund APFEDL). For other fund types, an original receipt is only required for purchases that are \$75.01 and above. Required original receipts will be submitted using the PCard Purchase Documentation Submission form, as described in “Electronic Submission of Documentation.” Cardholders will retain the original copy of all required documentation for 60 days from the date it is submitted via the PCard Purchase Documentation Submission form.

♦ **Note:** Third-party billing companies such as PayPal generally do not include detailed information about the item(s) purchased. The cardholder should, in cases such as this, provide a copy of the web page that identifies the item(s) purchased and the web receipt from the third-party billing company.

♦ **In cases where any required original receipt is not immediately available**, the cardholder will create a document containing the following: an explanation as to why the original receipt is not available, details about the transaction including a description of item(s) purchased, vendor’s name, date of purchase, quantity, unit price, total cost, account(s) to charge and, as described below, a description of the business purpose. The cardholder will submit this document, in lieu of the receipt, utilizing the PCard Purchase Documentation Submission form. To simplify this process for the cardholder, a “Missing Receipt Affidavit” is available at www.dfa.cornell.edu/procurement/buyers/credit-cards/procurement-card/forms. This form contains fields for the required information described above. Cardholders may complete the form, save it to their desktop, and then attach it to the PCard Purchase Documentation Submission form in place of the missing original receipt.

- ❖ **Caution:** A Missing Receipt Affidavit may not be accepted by some external auditors. To avoid the possibility of disallowance on sponsored awards (fund CG) or federal appropriations (sub fund APFEDL), units may wish to use discretionary funds when an original receipt cannot be obtained.
2. An **explanation of the business purpose** of the item(s) purchased should include specific information about why the purchase occurred (i.e., lab supplies for study of honey bees). A description of the item purchased must also be included when that information is not clear on the

receipt, or when a receipt is not required. For the payment of business meals, the business purpose must include a list of the attendees.

- ❖ **Caution:** The business purpose must be written in terms that would be clear to an external reviewer, especially in cases where the item could lend itself to personal use (e.g., CDs, videos, meals, and so forth).

♦ **Notes:**

- A PCard Purchase Documentation Submission form must be completed for ALL transactions including credits, disputed transactions, and fraud, to document the business purpose (or explanation in the case of disputes or fraud) and account description.
- Some vendors provide only an estimate of shipping charges when goods are ordered and, therefore, the amount listed on a receipt will sometimes vary from the amount actually charged to the pcard.
- Some vendors mistakenly send pcard receipts to the central university address that is used for accounts payable invoices, rather than to the cardholder, which can account for a cardholder never receiving a receipt.

Electronic Submission of Documentation

A file of pcard transactions is provided by our issuing bank each day. When the transactions in this file are uploaded to Cornell's financial system (Kuali Financial System or KFS), one email notification is sent to the cardholder for each transaction on his/her pcard. The cardholder will respond to this email within 10 days by selecting a link within the email to access the PCard Purchase Documentation Submission form. This system makes it easy for cardholders to submit documentation electronically. Cardholders will upload an electronic version of any required receipt and enter the business purpose and account(s) to be charged or credited.

The cardholder's submission of electronic documentation creates a record in the pcard receipt processing system. The pcard coordinator in the BSC will access that record in the BSC workflow queue. Coordinators use the information submitted by the cardholder to review the PCDO in KFS. After reviewing the record, updating and approving the PCDO, the coordinator routes forward the pcard receipt processing system record. A batch process runs each night that matches the forwarded images to the appropriate PCDO and attaches the electronic documentation to the PCDO.

Special Topics

Accounts with Additional Restrictions

There are restrictions on the types of accounts that may incur pcard charges or be used as a default account:

- Accounts that cannot incur procurement card charges
 - State appropriation construction accounts (Sub fund PLSUCF)
 - Receivable accounts (Object codes with object type AS.; accounts with sub fund BALSHT; invested funds IN)
- Accounts that may not be default accounts
 - State appropriation accounts (Sub fund APSTAT)
 - Agency accounts (Sub fund EXTORG, external organizations which were formerly Agency accounts)
- Accounts where procurement card charges may not “auto release”
 - State appropriations (Sub fund APSTAT)
 - Federal appropriations (Sub fund APFEDL)
 - Any grant or contract account (Fund CG)

♦ **Note:** The purchaser must comply with all sponsor and other requirements on restricted accounts. The purchaser must not charge federal unallowable expenses or costs generally considered indirect, such as office supplies, to sponsors.

Inactive PCards

An unused and potentially unmonitored credit card account creates the opportunity for fraudulent use by unauthorized parties; therefore, Credit Card Programs will close any pcard account that is not used at least once in any one-year period. Unused cards will be identified at least monthly and Credit Card Programs will notify the cardholder of the account closure.

BSC Directors should close any pcard not used at least 12 times in any one year. To facilitate the closure of low use pcards, each January Credit Card Programs will supply BSC Directors with a prior year report of transaction totals by cardholder. It is the responsibility of each BSC Director to review this information with Unit Managers, notify cardholders whose accounts are to be closed, and then request that the Credit Card Programs close the selected accounts. The BSC may also choose to review and close infrequently used accounts that have been opened for less than 12 months.

Outside Compliance Reviews

Credit Card Programs, Disbursement Quality Assurance, the University Audit Office, or other auditing agencies will periodically review procurement card transactions. Based upon these reviews, cards may be suspended or permanently revoked, or other disciplinary action may be taken.

♦ **Note:** Any financial penalties associated with external audits by regulatory agencies are the responsibility of the unit. These penalties may be greater than the amount of the transaction because auditors extrapolate results based on their sample testing.

Internal Sales (Cornell Vendors)

If your unit accepts procurement cards for internal sales, those sales must be recorded on your credit card sales deposit as interdepartmental revenue. This entry into the general ledger is performed automatically by Cash Management if an internal merchant account has been established. For more information, contact Cash Management and see [University Policy 3.17, Accepting Credit Cards to Conduct University Business](#).

Procedures

Applying for a Procurement Card

Those interested in obtaining a pcard should first contact their supervisor to discuss eligibility. Those individuals who believe they are eligible for a card will then complete an online tutorial and pass an exam. This will ensure that individuals understand and agree to the responsibilities of a cardholder prior to applying for a card. After completing the tutorial and exam (see “PUR 111 – Procurement Card Tutorial and Exam” found at culearn.cornell.edu), contact your business service center to request that an application for a pcard be initiated for you.

The application form requires the signature of the supervisor, unit manager (or chair), and the BSC director. All applications for pcards with a limit greater than \$500 require the approval of the appropriate Senior Finance Group member. Credit Card Programs reviews all materials and, if approval is granted, will contact the prospective applicant (via email) with final details on the card issuing process.

♦ Notes:

- Cardholders are encouraged to review the written instructions on [submitting documentation](#), which may be found on the Procurement website.
- An individual may receive only one pcard per unit served by the same BSC.
- Cardholders may NOT transfer a pcard to a new position. A new position, with different responsibilities and a new supervisor, requires completion of the pcard application process if the use of a pcard is requested.

Procurement cards are sent via US Mail, by the issuing bank, to the address provided on the application. Replacement cards will be automatically mailed to that same address no later than seven days before the card's expiration date.

Dispute Process - Correcting Erroneous Charges on the PCard

If a cardholder authorizes a vendor to charge his or her pcard, and the resulting charge is incorrect, the cardholder should first contact the vendor and attempt to resolve the error. Some examples of common “errors” are incorrect dollar amount, duplicate charge, credit not received. If the error is not resolved by contacting the vendor, the cardholder will contact the financial institution to initiate a charge dispute. Charge disputes must be initiated within 60 days of the statement date on which the error appeared. The financial institution must acknowledge the “charge dispute” within 30 days of receipt of the report. Within 90 days of receipt of the report, the financial institution will correct the error or provide an explanation as to why the charge is correct.

- ❖ **Caution:** If the cardholder has not authorized a vendor to charge the pcard, then the cardholder must assume that an unauthorized party has obtained his or her pcard number, and must contact the financial institution **immediately**. The pcard account will be shut down and a new plastic, with a new account number, will be mailed to the cardholder. The financial institution may also request that the cardholder complete an additional form (mailed to them by the financial institution) confirming the fraudulent use of the pcard.

Lost or Stolen PCards

If a pcard is lost or stolen, the cardholder must contact the financial institution **immediately** to ensure that fraudulent use of the pcard does not occur. The financial institution will shut down the pcard account and will mail a new plastic, with a new account number, to the cardholder.

Cardholders Change of Status

If a cardholder changes positions within the university, or terminates employment, their pcard must be closed. If a cardholder is on any type of university leave that extends beyond 30 days or is for an unknown duration, that individual's pcard must be suspended. The individual's supervisor will inform the BSC of the date that the cardholder's leave will start or as soon thereafter as possible. Suspending the pcard will prevent unauthorized use of the account during a time when the cardholder is not available to dispute the charge. See Account Closures and Other Changes to Procurement Cards for further details on suspending an account.

Purchases Rejected by Vendors

If a purchase is declined at the point of sale, the cardholder may call the financial institution or his/her procurement card coordinator to obtain the reason. If a card is accidentally destroyed or is damaged and cannot be used, the cardholder will contact the financial institution to request a replacement card.

Account Closures and Other Changes to Procurement Cards

Procurement card coordinators will utilize the financial institution's online system to change default accounts and mailing addresses. For account suspensions, account closures, name changes, or any other change of the pcard account, procurement card coordinators will complete an online Credit Card Update form, found at <https://www.dfa.cornell.edu/procurement/buyers/credit-cards/procurement-card/forms>.

♦ **Note:** When a procurement card is lost or stolen, and the financial institution subsequently issues a new plastic with a new account number, a Credit Card Update form does **not** need to be submitted. (See "Lost or Stolen PCards" above.)

Expiring Procurement Cards

A pcard near its expiration date will automatically be replaced by the financial institution, no later than 7 days prior to the end of the month in which the card expires. If a replacement for the expiring pcard is not received, and it is within 7 days of the end of the month in which the card will expire, the cardholder will contact the financial institution.

Policy Violations

University Policy 3.25, Procurement of Goods and Services, and its appendix, this Buying Manual, provide guidelines that are designed to ensure sound business practices and full compliance with other university policies, as well as various external requirements, such as IRS regulations, federal OMB circulars, etc. Procurement card usage must be monitored to ensure that violations of university policy are detected and handled in such a way as to deter future violations. This section of the Buying Manual will provide a course of action in response to a policy violation and identify the party responsible for any follow-up action.

1. Failure to Submit Documentation

One of the most significant problems related to the use of pcards is the failure to provide documentation to substantiate a transaction, as described in “Documentation Requirements.” Without adequate supporting documentation, the Business Service Center (BSC) cannot be sure which account or object code to select. Credit Card Programs can identify pcard transactions (PCDOs) in the Kuali Financial System (KFS) that do not have an attachment and are therefore, assumed to have had no supporting documentation provided to the university. To reduce this behavior, **Credit Card Programs will suspend all pcards held by an individual who has a pcard transaction in KFS age to 30 days or greater, with no attachment.** The process is as follows:

- An automated report runs daily to identify any PCDO that was created in KFS more than 30 days prior but has no attachment.
- For each transaction identified that exceeds \$75, an email notifying the cardholder of the suspension of their pcard is automatically sent to the cardholder, with a copy going to the service center director and Credit Card Programs. For any transaction that does not meet the criteria for suspension, the email will provide a reminder to complete the PCard Purchase Documentation Submission form.
- Credit Card Programs will suspend the appropriate account in the bank system. Cardholders whose accounts have been suspended must meet the following criteria to have their account reinstated:
 - Account will remain suspended for a minimum of 30 days.
 - Cardholder will submit the PCard Purchase Documentation Submission form, with required documentation attached, for each transaction.
 - Cardholder will complete the PCard Tutorial and successfully pass the accompanying exam (PUR 111 is found at culearn.cornell.edu).
 - After the above criteria have been met, the cardholder may request reinstatement by submitting a [“Request to Reactivate Suspended PCard”](#) form.
- Should a pcard be suspended a third time in any rolling twelve months, Credit Card Programs may consult with the cardholder’s Senior Finance Group member to determine if the card should be suspended for a longer period of time or permanently revoked.

♦ **Caution:** If a cardholder receives a third suspension in any 12 months for failure to submit documentation, as described above, Credit Card Programs will consult with the cardholder’s Senior Finance Group (SFG) member who will determine whether the card is to be revoked or to be reinstated after all documentation requirements have been met.

♦ **Note:** As described in Documentation Requirements, when an original receipt is not available, the cardholder must provide a written explanation as to why the original receipt is not available, details about the transaction including a description of the item(s) purchased, vendor's name, date of purchase, quantity, unit price, total cost, account(s) to be charged and a description of business purpose.

Other Types of Policy Violations

Other types of policy violations are most easily identified by the pcard coordinator in the BSC. Should the pcard coordinator determine that a pcard transaction represents a violation of policy, he/she will report this violation to the BSC Director, who is responsible for evaluating the violation based on the information provided in this Buying Manual. Requests to suspend or reinstate a pcard will be made to Credit Card Programs.

2. Lending or Sharing of a pcard

Any instance of lending or sharing a pcard should result in a minimum 60-day suspension of the card. This is a significant violation as knowingly sharing a card or card number will negatively impact the cardholder's ability to dispute charges and identify fraudulent transactions.

Other factors that may lead to suspension of your pcard include, but are not limited to the following:

3. Performance of a prohibited transaction (see section 302, Prohibited Transactions)

4. Splitting a Transaction

The cost of a single item (whether good or service) must not be split into multiple payments in order to circumvent the per transaction limit on the pcard.

5. Exceeding the PCard Transaction and/or Cycle Limit

Merchants can (and do) force through transactions without verification of a card's limits. Take into consideration whether or not the cardholder should have been aware that an order would total more than his/her per transaction limit. It is also a violation when multiple purchases of the same items are made such that the total combined value of the purchases would require completion of a bid through Procurement Services.

6. Late submission of documentation

Submitting documentation more than 10 days after the transaction will generally cause the automatic release of that charge against the card's default account. This violation is significant as it creates an expense for the university without supporting documentation. The BSC cannot know which account or object code to select without adequate supporting documentation and therefore, additional work is created when the charge (or credit) must be moved to a different account or object code.

7. Submitting written explanations for missing, lost, not received receipts, in lieu of originals

Submitting a written explanation for missing, lost, not received receipts, in lieu of originals may warrant a suspension if/when the frequency or circumstances do not appear reasonable. Each instance must be evaluated individually.

8. **Accidental personal use of the pcard**

9. **Any other use of the pcard that violates this, or other, university policies.**

Any violation fitting the title above must be evaluated individually by the BSC Director and may require immediate suspension of the card.

♦ **Note:** *If a cardholder's pcard is revoked for noncompliance with policy, the individual cannot apply for a subsequent card.*

Special Considerations for BSC Cardholders

This section describes special permissions that have been granted to the Business Service Center (BSC) procurement cardholders for the payment of Cornell faculty, staff and student group travel, visitor travel, catering, other event-related expenses, and various services. In order to qualify for a payment (including a deposit) on a BSC pcard, all of the following general conditions must be met, in addition to any specific restrictions listed in each topic below.

General Conditions for all BSC PCard Transactions

- Payments must be made using an BSC pcard; authorization may NOT be extended to a regular card or cardholder, unless specifically stated.
- The BSC will be allowed to pay up to the first \$10,000 of the expenses described in this section using an BSC procurement card so long as the necessary contract(s) has been executed (signed/approved) **prior** to any such payment (including a deposit) being made.
- When the transaction's total exceeds \$10,000, payment of the balance remaining after the deposit is paid via BSC pcard, **must** be requested via the purchase order process.
- When collection of insurance certificates is required (as listed in each topic below), the insurance must be verified **prior** to any payment (including a deposit) being made.
- When a transaction is paid for using both a pcard and the PO process, each transaction must contain a reference to the other in order to create an appropriate audit trail. The BSC will record the Procurement Card Doc (PCDO) number found in KFS from the initial pcard payment in the Notes tab of the Purchase Order that was issued for the remaining balance. In addition, the PO number will be recorded in the Notes tab of the PCDO.

❖ **Caution:** Payments may not be requested via Disbursement Voucher (DV) because this payment method does not advance "administrative ease" for the institution as a whole.

♦ **Note:** Procurement Services (Procurement) will assist in the collection of insurance certificates from vendors when required per Section 405. Notify Procurement far enough in advance of any payment (including a deposit) to allow adequate time to request and receive the required insurance certificates.

Group and Visitor Travel Allowed on a BSC PCard

Outlined below are the limited instances in which a BSC pcard may be used to pay for group and visitor lodging and commercial transportation (i.e., airline, train) up to the first \$10,000. **All** conditions for use outlined below must be met for the payment to qualify for the use of a BSC pcard.

♦ **Note:** The group and visitor travel outlined below may be paid on a university Travel and Meal card held by a staff member in a unit or service center.

Conditions for Use

A. An individual for whom a travel-related payment, as described in items B through F below, is being made must meet one of the following definitions:

1. **Group** – three or more Cornell faculty, staff or students who are traveling together on university business.

Caution: *Payment of travel expenses for students are subject to many rules and regulations and must often be processed through Financial Aid. Class trips, conference attendance, or other*

*mission related educational travel may be directly paid from unrestricted department funds only. Travel awards (regardless of sources of funds), travel stipends and payment for travel from funds designated for scholarship **must be processed through the Financial Aid System** (RUSS form). Pay special attention to documenting the business purpose for student travel. Contact the University's Tax Manager for more information or clarification. Before paying any travel related expense directly on behalf of a student, consult with tax@cornell.edu to verify that it does not need to be processed through Financial Aid.*

2. **Visitor** – an individual traveling at the request of a Cornell faculty/staff who is **not** being compensated for services, e.g., individuals interviewing for a position or a guest receiving only an honorarium.

B. Lodging. Payment for lodging at a hotel for a Cornell group or visitors may be made via BSC pcard so long as the hotel meets the conditions below. Lodging for individual faculty, staff and students may not be paid via pcard, see [Policy 3.2, University Travel](#).

1. If the hotel requires only a "confirmation/reservation form" that notes just the number of rooms, dates, cost, and cancellation policy, then it is acceptable for the unit to complete and sign this form.

Caution: *If the hotel requests completion of a form that has any additional terms and conditions that may be considered a "contract", then it **must** be forwarded to Procurement for approval/signature, prior to any payment (including a deposit) being made. See Conditions for Review of Contracts by Procurement Services below.*

2. The hotel may not be a Bed and Breakfast establishment nor an Airbnb.
3. Payment to the hotel may include food and beverages provided by the hotel for the group members (e.g., group dinner at a restaurant within the hotel) as well as minor miscellaneous charges (e.g., internet usage fees). If paying for catering services by the hotel or another vendor or facility rental charges (non-lodging), please read the remainder of this section to ensure that requirements for making any portion of the payment via BSC pcard are met.

C. Airfare. Domestic and international travel may be paid via BSC pcard for a group or for visitors.

1. Individual travel for Cornell faculty, staff, or students may not be paid via pcard.

❖ **Caution:** *Use of Sponsored Funds requires compliance with the Fly America Act (see <http://www.dfa.cornell.edu/accounting/topics/sponsoredfinance/training.cfm>).*

D. Limousine service and taxis. Limousine (capacity not to exceed 8 passengers) and taxi services, e.g., Ithaca Airline Limousine, may be paid via BSC pcard for a group or for visitors (not for individual faculty, staff, or student); insurance must be on file with Procurement for the limousine or taxi company.

E. Train. Train travel for a group or visitors (not for individual faculty, staff, or students) may be paid via BSC pcard.

F. Bus(es). **Buses may not be chartered via BSC pcard. A purchase order must be issued.**

♦ **Notes:**

- The BSC needs to be aware that when a hotel has a credit card on file, there is a risk that other goods/services could be charged to the room such as food, in-room movies, etc. It is the responsibility of the BSC to collect reimbursement from the traveler where appropriate.

- The university hosts a website known as the [Travel Portal](#), which contains links to several travel vendors.
- [University Policy 3.2, Travel Expenses](#) pertains to the individual business travel of Cornell faculty and staff members. This policy should not be confused with the special considerations for BSC pcards outlined in this section.

University Events: Catering and/or Event Space Rental

Outlined below are the limited instances in which a BSC pcard may be used for payments up to \$10,000 for catering, event space rental, and events that include both food and space. All conditions outlined must be met for any payment (including a deposit) to be made on an BSC pcard.

- ❖ **Caution:** A university Travel and Meal card may NOT be used for the payment of catering and/or event space rental.

Considerations when Making Payments for Catering and/or Event Space Rental:

- Catering occurs when a vendor prepares, sets up, serves, or cleans up food on Cornell controlled property, including both facilities owned by Cornell and facilities that may be rented or leased and only under Cornell's control for the period of the event, i.e., rented banquet hall. Catering should not be confused with simple delivery where no service is provided on site, i.e., pizza delivery.
- BSC Directors have been delegated the authority to execute (sign) Cornell contracts and Cornell addendums up to \$25,000 for catering, event space rental, and events that include both food and space. When the contract total exceeds \$25,000, Procurement will execute the contract as part of the purchase order issuance process; therefore, BSC Directors will not sign these contracts.
- When the BSC Director is authorized to execute a Cornell contract, it is *recommended* that the vendor's insurance certificates be on file. BSCs should request insurance certificates and, when possible, attach the documents to the pcard doc (PCDO) in KFS. Payment via pcard need not be delayed based upon receipt of the insurance documents since Cornell's standard Catering Contract and Event Addendum contain language on indemnification.
- It is NOT recommended that 100% of the order total be paid in advance; deposits should be limited to 50% of the total.
- Units and BSC Directors do not have authority to sign vendor contracts (see section 409, Contracts for additional information).

Catering Only

Less than \$10,000:

- The unit will request that the vendor complete Cornell's [standard Caterer Contract](#), after which the unit will complete their portion of the document and send to the BSC. Lastly, the BSC Director or designee executes (signs) the contract.
- **After** the signed contract is sent back to the vendor, the BSC may proceed with a deposit up to 50% of the total, not to exceed \$5,000.
- The final balance may be made via pcard so long as the total amount, including the deposit, has not exceeded \$10,000.

\$10,000 or greater:

- The unit will request that the vendor complete Cornell's [standard Caterer Contract](#), after which the unit will complete their portion of the document and send to the BSC. The BSC Director does not sign this document.
- The BSC will attach the contract to a requisition in KFS and note the amount of the deposit (if any) that is being paid via pcard.
- If any payment is due in less than ten days, please note the due date on the Req. Consider following up with Procurement Services via email, as described below in Conditions for Review and Approval of Contracts by Procurement Services.
- **After** the purchase order is issued, the BSC may proceed with a deposit up to 50% of the total, not to exceed \$10,000. If the final payment is greater than \$10,000, then pay via the purchase order.
- After the deposit (if any) is made, the BSC will go back to the purchase order and note the PCDO number. In addition, the purchase order number will be recorded in the Notes field of the PCDO.

❖ **Caution:** *If a caterer provides its own contract, instead of signing Cornell's standard Caterer Contract, please contact Procurement Services. It is essential that contracts for catering contain language regarding indemnification and it must be determined that the caterer is indeed an independent contractor. Therefore, a procurement agent will need to review the document(s).*

♦ **Note:** If the caterer has signed a University Contract or Pricing Agreement, then that caterer has already agreed to Cornell University's terms and conditions; therefore, the transaction does not require the Standard Catering Contract and only the details for the event are required (e.g., dates, times, menu, room set-up, number of attendees, etc.). To determine if your caterer has signed a University Contract or Pricing Agreement, see the "[Caterer and Restaurant List](#)" on Procurement Services website at <https://www.dfa.cornell.edu/procurement/buyers/hiring-caterers>.

Event Space Rental and Event Space with Catering (same process)

In nearly all cases, vendors supplying event space or event space with catering will present the unit with their own contract. If you encounter a vendor that does provide you with a contract specific to your event, please contact Procurement.

Less than \$10,000:

- The unit will request that the vendor complete Cornell's [Addendum for Facility Contract Agreements](#), after which the unit will complete its portion of the document and send both the vendor's contract and Event Addendum to the BSC. Lastly, the BSC Director or designee executes (signs) both the vendor contract and Cornell's Event Addendum.
- **After** the contract and Event Addendum are signed and sent to the vendor, the BSC may proceed with a deposit up to 50% of the total, not to exceed \$5,000.
- The final balance may be made via pcard so long as the total amount, including the deposit, has not exceeded \$10,000. If the final payment is greater than \$10,000, then pay via the purchase order.

\$10,000 or greater:

- The unit will request that the vendor complete Cornell's [Addendum for Facility Contract Agreements](#), after which the unit will complete its portion of the document and send both the vendor's contract and the Event Addendum to the BSC. The BSC Director does not sign these documents.

- The BSC will attach the vendor contract and Event Addendum to a requisition in KFS and note the amount of the deposit (if any) that is being paid via pcard.
- If any payment is due in less than ten days, please note the due date on the requisition. Consider following up with Procurement Services via email, as described below in Conditions for Review and Approval of Contracts by Procurement Services.
- **After** the purchase order is issued, the BSC may proceed with a deposit up to 50% of the total, not to exceed \$10,000.
- After the deposit (if any) is made, the BSC will go back to the purchase order and note the PCDO number. In addition, the purchase order number will be recorded in the Notes field of the PCDO.

For your convenience, this information is in a chart on the Procurement website at <http://www.dfa.cornell.edu/procurement/buyers/hiring-caterers>.

Please refer to the following:

- Buying Manual [Section 700, Paying for Services](#)
- [Standard Caterer Contract](#) found at <https://www.dfa.cornell.edu/procurement/tools-forms/forms/contracts>
- [Event Addendum](#) found at <https://www.dfa.cornell.edu/procurement/tools-forms/forms/contracts>

Other Services

BSCs are routinely requested to pay for services (or deposits on a service) via pcard. This occurs even at low dollar levels since regular cardholders have been restricted to a finite list of services that are considered low risk (see details in [Section 302, PCard Prohibited Transactions](#)). For these reasons, we are providing below some general information on issues to consider when procuring services.

Most services, regardless of where they are performed, require a contract. Even when the service provider does not require a contract, it is the responsibility of the BSC to evaluate the service being provided to determine if the resources of the university would be best protected by the issuance of a contract. This may be a contract that is specific to the service being provided and/or the standard terms and conditions associated with a purchase order. The BSC should consider the total value of the services, the possible need for a warranty, and risk to property and persons that could create a liability to the university. Safeguarding the assets of the university must be the first consideration when engaging a service provider.

♦ **Note:** There are some commonly used service providers that have already signed a university wide contract; see the preferred and contract supplier list on the Procurement website at <http://www.dfa.cornell.edu/procurement/supplierlistview>.

For a service to be eligible for payment up to \$10,000 via BSC pcard, all the following conditions for use must be met.

Conditions for Use

- A. The entity being paid for the service must be a corporation, partnership, LLC or LLP. If you are paying an individual, i.e., not one of the business entities listed, you must refer to [Section 700](#) of this manual and perform the Independent Contractor analysis in order to ensure that you are NOT paying an individual who should be classified as an employee and paid through the payroll system.

- ❖ **Caution:** *You may **not** pay a current employee via pcard. You may **not** pay an individual who has been employed by Cornell at any time in the current calendar year via pcard. You may **not** pay a foreign national for services performed within the United States via pcard.*
- B. The contract (when needed) must be executed by Procurement prior to any payment (including a deposit) being made. *See Conditions for Review and Approval of Contracts by Procurement Services below.*
- C. The service provider must meet Cornell's insurance requirements. This rule applies regardless of where the services will be performed.

Conditions for Review and Approval of Contracts by Procurement Services

When a contract is necessary, the appropriate Unit representative will review the document and signify review and acceptance of the vendor's terms by electronically submitting the documents via email, I Want Doc, or Requisition. The BSC representative will review the agreement and attach all contracts to the requisition. Procurement will perform the final review and sign the agreement on behalf of the University.

- ❖ **Caution:** ***Do not sign** on the signature line as Procurement is required to sign on behalf of the University. In all cases, units will send a contract to their BSC, who will then forward to Procurement as an attachment to a requisition for review and approval.*

♦ **Note:** To expedite the process for an event or other service where a deposit must be made within the next ten (10) days, the BSC will initiate a requisition, attaching the vendor's signed contract and addendum, and then contact Procurement to alert them to the deadline.

Gift Cards and Gift Certificates

Gift cards, also known as gift certificates or e-gifts, are considered equivalent to cash by the Internal Revenue Service and in most instances must be reported as taxable income to the recipient. Business Service Center pcard holders may pay for a gift card/certificate on behalf of a unit when **all** the following conditions are met:

- The use of the gift card/certificate must comply with University Policy 3.14, Business Expenses, particularly related to expenses benefiting faculty, staff or students.
- When the recipient is an employee (U.S. citizen, foreign national, and resident and nonresident aliens) or a student employee, the BSC will ensure completion of the Gift Card/Certificate Reporting form PRIOR to the purchase of a gift card/certificate at all dollar levels.
- When the recipient is a non-employee, the BSC will ensure completion of the Gift Card/Certificate Reporting form PRIOR to the purchase of a gift card/certificate when the value exceeds \$75.
- The authority to pay for a gift card/certificate on pcard may NOT be delegated by the BSC to any regular cardholder except as outlined below under "Gift Cards and Gift Certificates for Human Subjects Participating in Research".
- Gift cards/certificates may not be charged to sponsored fund accounts unless the recipient is a human research participant.
- BSC pcard holders procuring gift cards/certificates will familiarize themselves with the following information located at www.dfa.cornell.edu/tax/fordepartments/giftcards:
 - Instructions and requirements for completing the Gift Card/Certificate Reporting form
 - Tax reporting rules, including withholding charged to the unit, that must be communicated to the unit

- The Cornell Appreciation and Recognition award program (alternative to a gift card/certificate)
- Direct questions on gift cards/certificates reporting to the University Tax Office at tax@cornell.edu.

Gift Cards and Gift Certificates for Human Research Participants

Units should be directed to section 630, Human Research Subject Payments, which includes information on the use of Tango Cards to purchase gift cards for these unique payments. For those rare instances, when a physical gift card is necessary or when Tango Cards cannot be used, then the service center may issue a memorandum of understanding as described below.

When gift cards/certificates are being provided to individuals who are participating in a research project and that project requires the identities of the human subjects to remain confidential, the business service center may delegate the authority to pay for gift cards/gift certificates with a pcard to a regular cardholder in the unit. The BSC will create a memorandum of understanding with the unit that includes, at a minimum, the following:

- Name of individual cardholder approved to purchase gift cards/gift certificates.
- Begin and end date of the delegation, which should align with the specific research project for which the gift cards/certificates are needed.
- Name of individual in charge of the research who will be requesting the unit cardholder to make gift card/gift certificate purchases.
- The number of gift cards/gift certificates and value of each, if known.
- Requirement that the explanation of business purpose for the purchase include a reference to the MOU and date.
- Requirement that the unit maintains all relevant private payment information for possible tax reporting.
- Requirement that unit has procedures in place to track any unused gift cards/certificates.
- Requirement that the unit and BSC maintain an MOU in compliance with University Policy 4.7, Retention of University Records.

❖ **Caution:** Procuring gift cards/certificates for human subjects participating in a research project where the subjects' identity must be kept confidential is the **ONLY** circumstance under which the BSC may delegate the authority to pay for gift cards/certificates to a regular cardholder in the unit. The BSC may **NOT** authorize these payments at amounts greater than the maximum \$1500 per transaction limit currently available to a regular cardholder.

◆ **Note:** When the recipient is a human subject or research participant (regardless of employment status), the Gift Card/Certificate Reporting form is not required. However, units should maintain all relevant private payment information for possible tax reporting. Consult Cornell's [Institutional Review Board for Human Participants](#) or [Survey Research Institute](#).

Donations

Buying Manual

Subject: PCard

Title: Special Considerations for BSC Cardholders

Number: 307

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The voluntary contribution of cash or property to any organization outside of the university, regardless of the sources of funds, is considered a “donation.” When requested by its customer, a BSC may utilize a pcard for a donation when **all** the following conditions are met:

- The donation must comply with University Policy 3.12, Business Expenses.
- Donations with a value of \$500 or more must be approved by The Office of Community Relations; approval must be attached to the PCDO.
- Object code 6390 will be used for contributions from Cornell to an outside entity.
- Object code 6420 will be used for payments in lieu of flowers.
- The authority to donate utilizing a pcard may NOT be delegated by the BSC to any regular cardholder.

Please note that sponsorships, advertising, or other engagements with reciprocal value are not considered “donations” and are not subject to prior approval, even if using Object Code 6390 Donation from Cornell. For example, a department sponsorship of a conference with or without recognition of such sponsorship is not considered a donation that requires approval from Community Relations.

Responsibilities

Cardholder

1. Read and understand this policy.
2. Keep your pcard number confidential; lending or sharing the card is not allowed. Keep your card secure (on your person or in a locked file/drawer).
3. Comply with the per-transaction and overall monthly cycle limit on your procurement card.
4. Never "split" the cost of one single item (whether good or service) into multiple payments in order to circumvent the per transaction limit of the pcard.

❖ **Caution:** Do not make multiple purchases of the same item such that the total combined value of the purchases would require the completion of a bid through Procurement Services. See "The Purchase Order Process" section of this manual for details on the bid process.
5. Consult your BSC if you need to make a purchase that is not allowed on pcard, or that exceeds your pcard transaction limit.
6. Purchase only business-related items permitted by [University Policy 3.14, Business Expenses](#). Do NOT purchase any good or service contained in "*Prohibited Transactions*"; never use the card for personal expenses.
7. The cardholder is responsible for ensuring that any expense paid by procurement card is not otherwise submitted for reimbursement or used for any inappropriate purpose.
8. Inform the vendor that your purchase is exempt from New York State sales tax. If the vendor will not grant a sales tax exemption, note the vendor's refusal on your receipt.
9. Submit sufficient documentary evidence, including any required original receipts, account(s) to be charged, and an explanation to support the business purpose of each purchase on your card via the PCard Receipt Processing System. You must redact any sensitive data (e.g., credit card numbers) from the documentation prior to uploading it. Submission of the documentation will occur within ten days of your receipt of the email notification from the PCard Receipt Processing System. See "Documentation Requirements" for further details on documentation.

❖ **Caution:** The requirement to provide sufficient documentary evidence exists even when you are away from your primary work location, especially in light of increased credit card fraud.
❖ **Caution:** If the amount charged to your pcard differs from the amount on your receipt, contact the merchant and note the reason for the price difference within the business purpose field of the PCard Receipt Processing System.
10. For any documentation that must be submitted via the PCard Receipt Processing System, as outlined in "Documentation Requirements," retain original documentation for 60 days from the submission date. Follow your department procedures for storage location.
11. Review your credit card statement upon receipt and if any errors are identified, follow the procedures outlined in "Dispute Process - Correcting Erroneous Charges on the PCard."
♦ **Note:** Credit card statements, both paper and electronic, are issued only if there is activity on the account during the month. These statements are not subject to [University Policy 4.7, Retention of University Records](#), and paper statements may be shredded if unit practice permits (supervisors may wish to review and/or retain statements).
12. If you authorize a regular monthly charge to your card, you are responsible for notifying the vendor in the event that your card number changes or your account is closed or suspended.

❖ **Caution:** Failure to comply with university policy, including all procedures outlined in this manual, will result in the suspension or revocation of your procurement card.

Business Service Center Director

1. Appoint one or more procurement card coordinators (i.e., Fiscal Officer's delegates for PCDO's in KFS). This person must have appropriate knowledge of financial, purchasing and accounting policies and be employed directly in your center
 2. Initiate procurement card applications, as requested by supervisors after reviewing:
 - a. for reasonableness of request
 - b. to determine applicant's prior history of policy compliance (assuming he or she previously held a pcard in a unit served by your BSC)
- ❖ **Caution:** If an applicant formerly held a pcard, there must be *compelling evidence* that the card is *essential* for that individual's job function and that they were compliant with university policies related to procurement cards. See the [Credit Card Programs](#) web pages for further details on the application process.
3. Review the policy violation information provided by your procurement card coordinator(s)
 4. Take appropriate action to ensure that violations of this policy result in the suspension or revocation of the procurement card, as described in section 306, Policy Violations.
 5. Review with Unit Managers any pcard that has not been used at least 12 times in any one year for possible closure. Notify each cardholder, whose account is to be closed, and then request that Credit Card Programs close the account
 6. Report incidences of possible abuse of procurement card privileges, or the fraudulent use of a procurement card, to the University Audit Office, as required by [University Policy 3.6, Financial Irregularities](#).
- ♦ **Note:** Contact [Credit Card Programs](#), in the Shared Services Center, at any time for guidance on suspensions, revocations, and other issues.

Credit Card Programs

1. Administer change to this manual
2. Provide guidance (BSC directors, procurement card coordinators, supervisors, and cardholders)
3. Provide information and updates to procurement card coordinators as needed
4. Review applications
5. Serve as university contact with financial institution issuing procurement cards
6. Close pcards as requested by BSCs
7. Suspend/revoke procurement cards as necessary based on the results of reviews by Disbursement Quality Assurance, the University Audit Office, other external auditors, and/or the findings of Credit Card Programs, as described in section 306, Policy Violations

Procurement Card Coordinator

1. Read and understand this manual
 2. Complete the procurement card online tutorial. For instructions and a link to the tutorial in CU Learn, please visit the Procurement website at <https://www.dfa.cornell.edu/procurement/buyers/credit-cards/procurement-card/applying>
 3. Assist, as necessary, with procurement card applications, disputes, and account maintenance
- ❖ **Caution:** Do NOT store credit card numbers.
4. Review each procurement card charge found in your KFS action list to ensure that each charge has sufficient supporting documentation, an appropriate object code, and a documented business

purpose that is in compliance with university policy and other restrictions applicable to the account. Each PCDO doc in KFS should, when possible, be reviewed as described and then approved prior to the doc auto-approving in KFS. Utilize the scanned images and other data provided by the cardholder in your pcard receipt processing system BSC workflow queue. After approving the PCDO, route the record in the BSC workflow queue.

❖ **Caution:** When sales tax is a component of a transaction that is otherwise classified as federal unallowable (e.g., alcohol), it **MUST** be recorded with a federal unallowable object code and must not be charged to Federal or State appropriations or any grant or contract account (Funds AP and CG.) Sales tax on goods/services that are not classified as federal unallowable does not require a federal unallowable object code.

5. Review "auto approved" pcard charges to ensure that:
 - a. The transaction is placed on the correct account.
 - b. Necessary information (i.e., what was purchased, business purpose, explanation of why original receipt not turned in) is collected via the PCard Receipt Processing System, as described in *"Documenting Procurement Card Transactions"*.
 - c. If the transaction was not performed by the cardholder, direct the cardholder to contact the bank so that the charge may be disputed or reported as fraudulent (see details on disputing a transaction in "Dispute Process – Correcting Erroneous Charges on the PCard" in [Section 305](#))
6. Determine that any credit issued for a procurement card purchase reflects the exact account number(s) charged for the initial purchase
7. Report to your BSC director any violation of university policy, including this manual. Violations include, but are not limited to: missing documentation, performance of a prohibited transaction, splitting a transaction, lending/sharing of pcard, transactions exceeding the pcard limit, accidental personal use of pcard, late submission of documentation
8. Close procurement card accounts based upon instructions provided by the cardholder's supervisor, unit human resources representative, or BSC director. Destroy the card immediately. For details on closing an account, see [Account Closures and Other Changes to Procurement Cards](#), in this manual
9. Report incidences of possible abuse of procurement card privileges, or the fraudulent use of a procurement card, to the University Audit Office, as required by [University Policy 3.6, Financial Irregularities](#)

Supervisor

1. Request that a procurement card application be initiated by your BSC director **ONLY** for those individuals whose position requires frequent business-related purchases, as outlined in his/her job description
2. Implement procedures to re-evaluate the need for a procurement card whenever a staff member's job requirements or status changes
3. When a staff member begins any type of university leaves that extends beyond 30 days, or will be for an unknown duration, request that your BSC suspend the pcard. Upon the staff member's return, the supervisor may request the BSC to re-activate the pcard
4. Implement procedures to ensure that any expenses charged on a procurement card that would normally seem to be for personal use, such as CDs, videos, meals, and so forth, are based on the cardholder's job requirements
5. Submit a request to the appropriate procurement card coordinator when an account must be closed due to termination or change of status
6. Assist the BSC director in suspending or revoking a cardholder's pcard privileges, as requested

Unit Chair or Business Manager

1. Review procurement card applications to ensure that the applicant has job responsibilities that include frequent business-related purchases
2. Assist the BSC director in suspending or revoking a cardholder's pcard privileges, as requested

Senior Finance Group (SFG) Member

1. Review section 306, Policy Violations and understand your responsibilities
2. Review the policy violations brought to your attention by Credit Card Programs and determine whether it is reasonable to revoke or reactivate the card; communicate your decision to Credit Card Programs

University Paid Travel and Meal Card

Introduction

A “travel and meal card,” also referred to as the T&M card, is a university liability credit card that is issued in an employee’s name. The card is used for the payment of travel-related business expenses, including locally hosted business meals. The bill for all charges on T&M cards is paid centrally by the university. Cardholders will not make any payments to the issuing bank.

Charges to the T&M cards are automatically uploaded to the university’s travel expense system, Concur. Cardholders are required to complete expense reports within Concur in a timely fashion, in compliance with University Policy 3.2, Travel Expenses. Completing the expense report allows transactions on the travel card to be charged against one or more unit accounts.

All charges to the T&M card must be for business purposes only and in full compliance with other university policies, particularly University Policy 3.2, Travel Expenses and 3.14, Business Expenses. The cardholder is responsible for providing supporting documentation and an explanation of business purpose for all charges to the T&M card.

- ❖ **Caution:** Failure to use the T&M card in compliance with university policy, including the terms outlined in this manual, can result in the suspension or revocation of the T&M card and possible disciplinary action. Fraudulent use of the T&M card can result in employee termination, expulsion from school (for students), and criminal charges.

Eligibility

Cornell University faculty and staff members are eligible to apply for a T&M card if the applicant has NOT incurred a write-off (i.e. reached 180 days past due) on a personal liability corporate travel card AND his/her position at the university requires any of the following:

1. Business travel at least twice per year
2. Booking of visitor travel
3. Hosting of business meals

Use of the Card

The T&M card may be used for travel-related expenses such as airfare, hotel, hosted meals, registration fees, and incidental supply needs that may arise during travel, for example, replacement of a traveler’s lost laptop power cord. See University Policy 3.2, Travel Expenses, for specific details on the types of expenses allowed by the university during business travel.

- ❖ **Caution:** The T&M card is NOT intended for use as a procurement tool for non-travel goods and services. The card must never be used for catering, event space rental, or any other services requiring a contract.

It is recommended that travelers familiar themselves with the per diem allowance applicable to their destination to avoid the risk of making meal purchases on their T&M card that exceeds the allowance and having to return funds to the university.

Hosted meals, including those held locally, may be paid for with the T&M card. When an individual does not have a T&M card, it is also acceptable to utilize a pcard for local meals.

The travel card holder may also utilize their card for the payment of travel expenses for other university travelers, visitors, or guests of the university. The cardholder is still subject to the requirements outlined below in “Documentation and Expense Report Requirements.”

♦ **Note:** The T&M card is not to be used for personal purchases; however, it is understood that there are limited circumstances when this may occur. For example, a spouse attends a hosted business meal and it is impractical to separate the bill. Under this type of circumstance, the cardholder will be allowed to reimburse the university.

Applying

Applications for T&M cards will be supplied only to those individuals specifically authorized by their unit. Those interested in obtaining the T&M card must complete an online tutorial and pass an exam prior to applying for a card. This will ensure that individuals understand and agree to the responsibilities of a cardholder prior to applying for a card. After completing the tutorial and exam (see “PUR 113 – Travel & Meal Card” found at culearn.cornell.edu), contact your business service center to request that an application for a T&M card be initiated for you.

Cash Advance Requests

Travelers in need of a cash advance will make the request through Concur. T&M cards are not issued with the cash access feature enabled (i.e., you cannot obtain cash via an ATM).

Documentation and Expense Report Requirements

Cornell requires that all cardholders submit documentation for all purchases on their T&M card. Sufficient documentary evidence is necessary to comply with university policies, sound business practices, and the requirements of external and internal reviewers.

Cardholders are required to ensure that documentation supporting each transaction on the T&M card is stored electronically within Concur and associated with the appropriate expense report. University Policy 3.2, Travel Expenses, requires travelers to submit expenses and complete their expense report within 30 days, but no later than 60 days, of return from travel. In addition, cardholders must retain original documentation for 60 days after their expense reports have been submitted. Failure to comply with documentation requirements, including the timely completion of an expense report within Concur, is grounds for suspension of the T&M card.

See University Policy 3.2, Travel Expenses for details on documentation requirements for travel. Further information on Concur, including creation of expense reports, can be found at <http://www.blogs.cornell.edu/travel/training-and-guides/>.

Policy Violations

Failure to use the T&M card in compliance with university policy, including the terms outlined in this manual, can result in the suspension or revocation of the T&M card and possible disciplinary action. Fraudulent use of the T&M card can result in employee termination, expulsion from school (for students), and criminal charges.

Examples of policy violations that may result in the suspension of the T&M card include, but are not limited to:

1. Failure to supply documentation for charges to the card
2. Failure to complete expense reports within Concur in a timely fashion, as described in University Policy 3.2, Travel Expenses
3. Payment of personal expenses with the T&M card beyond what may be considered reasonable, as described under “Use of the Card”

4. Failure to reimburse Cornell in a timely fashion for any charge to the T&M card that has been identified as personal
5. Use of the card for business expenses that were not related to travel or locally hosted business meals, as described under "Use of the Card"
6. Lending/sharing your card

Since travel expense reports are reviewed by the KFS Org Manager (a position that is generally within the unit), each KFS Org Manager is responsible for reporting all policy violations to the appropriate BSC Director. A request for suspension will be sent to Card Programs by the BSC Director, or their designee, and the card will remain suspended until such time as the violation has been corrected, i.e., documentation is submitted, expense report completed, repayment of personal expense is made.

If it is necessary to suspend a T&M card more than once in any 12-month period, the BSC Director will notify the SFG member. If/when the SFG member is satisfied that the cardholder understands the requirements of using a T&M card, he/she will submit a request to Card Programs to reinstate the card.

Errors on Your Card: Disputing a Charge/Reporting Fraud

Cardholders will receive a monthly statement from the issuing bank - this is not a bill. Cardholders will NOT make a payment to the issuing bank. Cardholders should review all expenses on the monthly statement for accuracy.

If a cardholder has authorized a vendor to charge his or her T&M card and the resulting charge is incorrect, the cardholder should first contact the vendor and attempt to resolve the error. Some examples of common "errors" are incorrect dollar amount, duplicate charge, or credit not received. If the error is not resolved by contacting the vendor, the following steps will be taken:

1. The cardholder will contact the issuing bank to initiate a charge dispute.
2. The issuing bank will provide the cardholder with the appropriate charge dispute form.
3. The cardholder will complete the charge dispute form and fax it back to the financial institution within 60 days of the statement date on which the error appeared.
4. The financial institution must acknowledge the charge dispute within 30 days of receipt of the form.
5. Within 90 days of receipt of the form, the financial institution will correct the error or provide an explanation as to why the charge is correct.

- ❖ **Caution:** If the cardholder has not authorized a vendor to charge the T&M card, then the cardholder must assume that an unauthorized party has obtained his or her card number and must contact the financial institution **immediately**. The card account will be shut down and a new T&M card, with a new account number, will be mailed to the cardholder. The financial institution may also request that the cardholder confirm the fraudulent use of the card by completing an affidavit of fraud form, which the financial institution will mail to the cardholder.

Lost or Stolen Cards

If a T&M card is lost or stolen, the cardholder must contact the financial institution **immediately** to ensure that fraudulent use of the card does not occur. The financial institution will shut down the travel card account and will mail a new card, with a new account number, to the cardholder.

Cardholders Change of Status

If a cardholder is on any type of university leave that extends beyond 30 days or is for an unknown duration, that individual's card must be suspended. The individual's supervisor will inform the BSC of the date that the cardholder's leave will start. Suspending the T&M card will prevent unauthorized use of the

account during a time when the cardholder is not available to dispute the charge. See Account Closures and Other Changes to T&M Cards for further details on suspending an account.

Purchases Rejected by Vendors

If a purchase is declined at the point of sale, the cardholder may call the financial institution or his/her BSC to obtain the reason. If a card is accidentally destroyed or is damaged and cannot be used, the cardholder will contact the financial institution to request a replacement card.

Account Closures and Other Changes to T&M Cards

Representatives of the cardholder's BSC will utilize the Credit Card Update form to request name or address changes, account suspensions and closures. The form may be found on the Procurement website at <https://www.dfa.cornell.edu/procurement/buyers/credit-cards/procurement-card/forms>.

♦ **Note:** When a T&M card is lost or stolen, and the financial institution subsequently issues a new credit card with a new account number; a Credit Card Update form does **not** need to be submitted. (See "Lost or Stolen Cards" above.)

Expiring Cards

A T&M card near its expiration date will automatically be replaced by the financial institution, no later than 7 days prior to the end of the month in which the card expires. If a replacement for the expiring card has not been received within 7 days of the end of the month in which the card will expire, the cardholder will contact the financial institution.

Inactive Cards

An unused and potentially unmonitored credit card account creates the opportunity for fraudulent use by unauthorized parties; therefore, Credit Card Programs will close any T&M account that is not used at least once in any one-year period. Unused cards will be identified at least monthly and Credit Card Programs will notify the cardholder of the account closure.

BSC Directors should close any T&M card that is not routinely used at least once per year and/or where the cardholder no longer meets the eligibility requirements outlined in this document. To facilitate the review of cards, each January, Credit Card Programs will supply BSC Directors with an annual report of card usage. It is the responsibility of each BSC Director to review this information with Unit Managers to ensure that all cardholders continue to meet minimum eligibility requirements. The BSC Director will notify any cardholder whose account is to be closed and then submit the closure request to Credit Card Programs.

Responsibilities for the University Paid Travel and Meal Card

Cardholder

- ❖ Understand and abide by the requirements of using a T&M card as outlined in the Travel and Meal Card section of this manual and University Policy 3.2, Travel Expenses.
- ❖ Contact the issuing bank immediately if your card is lost or stolen, or if you identify a charge on your card that you did not authorize.
- ❖ Keep your T&M card number confidential (lending or sharing the card is not allowed) and the card itself secure (keep it on your person or in a locked file/drawer).
- ❖ Collect supporting documentation for all charges to the card and ensure that the documentation is stored electronically, within Concur, and associated with the appropriate expense report.
- ❖ Complete expense reports in Concur in a timely fashion in compliance with University Policy 3.2, Travel Expenses.
- ❖ Retain original documentation for 60 days after the expense report has been submitted.
- ❖ Do not use the T&M card for personal expenses, beyond what may be considered reasonable, as described under the "Use of the Card" section of the manual.

- ❖ **Caution:** Any charge to the T&M card that is deemed to be a personal expense must be reimbursed to the university.
- ❖ Do not use the T&M card for business expenses that are not related to travel or locally hosted business meals, as described under the "Use of the Card" section of the manual.

- ❖ **Caution:** Failure to comply with university policy, including all procedures outlined in this manual, may result in the suspension or revocation of your card.

Supervisor

1. Approve T&M card applications only for those individuals that meet the eligibility requirements outlined in this manual.
2. Contact your BSC director to request a card suspension in the event that your direct report/cardholder will be on any type of university leave for greater than 30 days or for an unknown duration.
3. Contact your BSC director to request a travel card closure in the event that your direct report/cardholder is leaving his/her position.
4. Assist the BSC director in suspending or revoking a cardholder's T&M card privileges, as requested.

KFS Org Manager

1. Review charges to the T&M card contained in expense reports.
2. Report any charges to a T&M card that do not comply with university policy, including this manual, to your BSC director.
3. Collect reimbursement for any personal charge to a T&M card and forward to your BSC for deposit; include instructions on the account that is to be reimbursed.
4. Assist your BSC director in the yearly review of T&M cards and the determination as to whether the cardholders continue to meet the eligibility requirements for a card.
5. Report incidences of possible abuse of T&M card privileges, or the fraudulent use of a card, to the University Audit office, as required by University Policy 3.6, Financial Irregularities.

Buying Manual

Subject: Travel and Meal Cards

Title: Responsibilities for University Paid Travel and Meal Card

Number: 353

Issued: October 1, 2017

Revised: February 15, 2023

Business Service Center Director

1. Review card misuse, as reported by the KFS Org Manager, and request suspension of T&M cards as outlined in this manual.
2. Request that Card Programs suspend a T&M card when a cardholder's supervisor reports that the cardholder is on leave.
3. Request that Card Programs close a T&M card when a cardholder's supervisor reports that the cardholder has left his/her position.
4. Deposit any reimbursement of personal charges to a T&M card to the account identified by the KFS Org Manager.
5. Conduct an annual review with the KFS Org Manager of all T&M card holders in the unit and close any account where the cardholder no longer meets eligibility requirements.
6. Report incidences of possible abuse of T&M card privileges, or the fraudulent use of a card, to the University Audit office, as required by University Policy 3.6, Financial Irregularities.

Senior Financial Group Member

1. Review instances of card suspensions, as reported by your BSC Director.
2. Request reactivation of a suspended T&M card only in the event you believe the cardholder understands the requirements of using a T&M card; contact creditcards@cornell.edu to request card reinstatement.

Credit Card Programs

1. Administer changes to this manual.
2. Provide guidance to campus, i.e., BSC directors, KFS Org managers, supervisors, SFG members, and cardholders.
3. Provide information and updates to campus customers, as needed.
4. Review applications and contact the supervisor if an applicant does not meet the eligibility requirements outlined in this manual.
5. Serve as university contact with the financial institution issuing cards.
6. Close or suspend cards as requested by the BSC director or a cardholder's supervisor.
7. Revoke cards as requested by SFG members or as a result of the findings of University Audit or external auditors.

The Purchase Order Process

Introduction to Purchase Orders

In general, the purchase of all goods and services at the university requires the review and approval of Procurement Services (Procurement). The primary method by which procurement and payment is accomplished is the purchase order process.

Definition. A *purchase order* represents the university's offer to buy goods and services. The purchase order is a legally binding contract, with specific terms and conditions between the university and the vendor. When all parties have fulfilled the obligations outlined on the purchase order, the university will issue payment to the vendor.

Roles and Responsibilities. The system used to initiate, approve and track a purchase order at the university is the Kuali Financial System (KFS). The basic purchase order process is as follows: Unit/BSC creates requisition (REQS) → requisition reviewed/approved by Procurement → PO issued to vendor → Vendor fills order and sends invoice to Cornell → Cornell issues payment (check or ACH) to vendor.

Obtaining Access to KFS

Access to the requisition in KFS is managed by the BSCs. If you need to purchase something that is not in e-SHOP then [contact your BSC](#). To get access to e-SHOP, please [contact your BSC](#). Typically, units submit their requests for purchases of goods and services to the BSC via an I Want Doc, email, or center's form, and then the BSC initiates the order in KFS.

Bid limits

For purchases under \$25,000, the unit will select the vendor of their choice or preferred vendor if one is available for the required goods and services. When not utilizing a preferred vendor, the unit is encouraged to solicit competitive quotes. In addition, the [Purchases with Special Procedures](#) section of this manual should be consulted to ensure that the unit is aware of all requirements related to the good or service being ordered.

The university's bid limit is \$25,000. This is the dollar amount at which Procurement will undertake a formal bid process prior to the issuance of a purchase order. See [Section 402, Bid Solicitation and Exemptions](#) for the limited instances under which Procurement Services may exempt an order over \$25,000 from requiring a bid.

Large dollar orders require additional Procurement Services' management approvals. The following are the dollar levels when additional approvals are required:

- | | |
|--|---------------------------------------|
| • Up to \$25,000 | Procurement Associate |
| • Less than \$100,000 | Procurement Agent |
| • Less than \$1,000,000 | Senior Director, Procurement Services |
| • Over \$1,000,000 less than \$5 Million | VP, Division of Financial Services |
| • \$5 Million and over | Board of Trustees |

Types of Purchase Orders

Generally, there are two types of purchase orders (PO) – recurring and standard.

A *recurring order* is placed when there is a repeated need for expendable supply items and/or services such as maintenance agreements, rental charges and leases. Recurring orders are issued with control parameters, such as a total dollar amount not to exceed, a specific time period for which the order is valid, e.g., one-year, estimated quantities, and estimated items. If a vendor is available in e-SHOP, then do not use a recurring order, place the order through e-SHOP.

Buying Manual

Subject: The Purchase Order Process

Title: Introduction to Purchase Orders

Number: 400

Issued: February 9, 2009

Revised: February 15, 2023

A *standard PO* is used when all items to be purchased are identified and listed when the order is sent to the vendor. Once the ordered goods and services have been received, the vendor invoices Cornell, and payment is made. There are four distinctions among standard POs:

1. e-SHOP orders - orders under \$1,500 are automatically sent to vendor; orders greater than or equal to \$1,500 are routed for required approvals before being sent to the vendor. Starting a requisition in e-SHOP is simpler and requires less manual data entry and ensures contract pricing.
2. Automatic Purchase Orders (APOs) – orders for less than or equal to \$25,000 are routed to the unit's Fiscal Officer (FO) for approval. An APO may not be utilized with new vendors, vendors on hold, or for commodities that require review by a procurement agent.
3. Purchase Orders greater than \$25,000 – these orders are routed to Procurement for review and approval. Preferred vendors may have a higher APO limit. Please review the Buying Manual section on Bid Solicitation and Exemptions.
4. New York State Purchase Orders – these orders are processed through the SUNY procurement system. Please review the topics under [New York State Procurement](#) for further details on orders utilizing New York State Appropriated funds.

Creating a Purchase Order

Creating a Requisition in KFS

The requisition serves as the units' request for goods or services. The following list of resources is intended to guide units in properly completing a requisition in the Kuali Financial System (KFS). Please review the Requisition tutorial (KFSPUR-400 REQS) before proceeding.

- Purchasing Tutorials
 - KFSPUR-400 OV (Purchasing Overview)
 - KFSPUR-420 CS (Vendor Contract Search)
 - KFSPUR-400 REQS (Requisition)
 - KFSPUR-400 e-SHOP (e-SHOP) – new training tutorial created in April 2021
 - KFSPUR-400 POA (PO Amendments)
 - KFSPUR-430 VSU (Purchasing Vendor Set-Up)

If you need further assistance after reviewing the tutorials, please contact the Procurement Services (Procurement) [at procure.support@cornell.edu](mailto:procure.support@cornell.edu). Additional training resources are available on the Procurement Web site at <https://www.dfa.cornell.edu/procurement/e-shop/training>.

If you do not have authorization from your BSC to access KFS but need to begin the procurement process, [contact your BSC](#). Your BSC will use the information you provide to create a requisition in KFS.

Progress Payments

Cornell's standard payment terms are Net 60 days from date of invoice. Other terms may be negotiated by the unit and Procurement. Examples of other terms include discounts for early payment or progress (milestone) payments on projects.

Use of progress payments incorporates risk. Approval of partial payment prior to a product or service being provided leaves the University with limited recourse if obligations are unfulfilled by the supplier. The Office of University Counsel may become involved should the supplier not meet his/her obligations.

In order to properly process payments, the requisition must reflect payments rather than the items being purchased or services being performed. At the line-item level, input the progress payment. For example:

1. "Progress payment one - 30% down payment with the order" (enter 30% of total cost as the dollar amount)
2. "Progress payment two – 30% upon delivery" (enter 30% of total cost)
3. "Progress payment three – 40% net 30 days after receipt of invoice, installation, testing and acceptance" (enter remainder of cost).

Product detail, unique conditions, terms, or additional information pertaining to the order must be entered in the Notes and Attachment tab. The supplier must submit invoices for each progress payment as applicable.

Procurement Services Review Process

Procurement will promptly review and evaluate all requisitions routed to us and will determine the appropriate actions required before the purchase order is issued. The procurement process may require one or more of the following actions, depending upon the conditions of the purchase.

- Requisitioned items are reviewed based on existing contracts.
- Requisitions will be evaluated based on bid limits and fund types.
- Documentation and price justifications for sole source/single source orders will be reviewed by a procurement agent.

Buying Manual

Subject: The Purchase Order Process

Title: Creating a Purchase Order

Number: 401

Issued: February 9, 2009

Revised: February 2, 2022

- The terms and conditions of the purchase order may need to be negotiated and finalized with the vendor.
- Requisitions with special requirements may require review from the appropriate department (e.g., x-ray or sealed sources, bio-safety cabinets).
- Some purchases may need to address specific issues (e.g., insurance coverage, customs clearance, legal review of vendor terms and conditions).

Paying for Purchase Orders

In order to fulfill the purchase order:

1. The goods must be received.
2. The vendor must submit an invoice to Cornell University, Accounts Payable, 377 Pine Tree Road, Ithaca, NY 14850 or via email to DFA-4040_invoice@cornell.edu. For some high-volume vendors, invoices are submitted to Cornell University via electronic invoicing. Invoices are used to create payment requests in KFS.
3. Additionally, the Fiscal Officer (FO) must approve the following payment requests before the payment is made.
 - a. Any invoice from an order originated in e-SHOP for under \$1,500
 - b. Any invoice over \$5,000

PO Amendments and Cancellations

Purchase Order Amendments (POAs) are the responsibility of the BSCs. When a purchase order (PO) is changed, KFS creates a POA based on the existing PO. POAs should be used only for adding or deleting items.

- You may not change a vendor by issuing a POA. In order to change a vendor after a PO has been issued, you must cancel the PO and reissue a new order.
- You may not change a billing account by issuing a POA. The Fiscal Officer (FO) can change the account when reviewing the payment request.
- Do not process POAs on non-quantity orders.

Orders that originated in e-SHOP cannot be changed or amended. The unit must contact the supplier directly to cancel the order.

To process an amendment (or change) to a purchase order, review the KFSPUR-400 POA Purchase Order Amendment tutorial.

Bid Solicitations and Exemptions

Bid Solicitation Requirements

Per University Policy 3.25, Procurement Services (Procurement) is responsible for requesting quotations or proposals from suppliers at expenditure levels above \$25,000 (formal bid limit) or when specific fund types are used. Good purchasing practice dictates that requests for proposals and quotations to responsible suppliers effectively develop competition and guard against favoritism, improvidence and fraud. The primary purpose of competitive bidding is to insure and demonstrate that funding is being responsibly spent and equal opportunities are being extended to responsible suppliers.

When a unit has a need for a good or service that may cost more than \$25,000, the unit should contact Procurement. Procurement will assist the unit in developing specifications, identifying potential sources (vendors), and will issue all requests for bidding. During the competitive bid process, Procurement controls all information to ensure that all suppliers receive the same information. Supplier responses are kept confidential. Suppliers may receive general feedback on their response relative to other suppliers. New York state (NYS) appropriated funds are subject to public bidding.

Awards of bids are made on a best value basis. Lowest pricing award does not require any additional explanation. Awards made for reasons other than low pricing require documentation of the reasons for the award.

To request a bid solicitation, e-mail procure.support@cornell.edu with the specifications and potential list of vendors. Use the form available on the Bid Solicitation web page at <https://www.dfa.cornell.edu/procurement/tools-forms/forms/bid-solicitation>.

This procedure is in compliance with State and Federal Regulations and is subject to University Policy 4.7, Retention of University Records. Procurement is responsible for issuing and maintaining all documentation relevant to quotations, bids, proposals and awards based on the bid thresholds below.

Bid Thresholds

Competitive bidding occurs at many different levels in terms of dollars, formality and process. Requirements for requesting quotations, bids and proposals are determined by anticipated expenditure levels and fund type as described below:

Less than or equal to \$25,000 (for all fund types)

The responsible unit is encouraged to solicit competitive quotes, but it is not required. For orders using New York State appropriated funds, reasonableness of the price should be documented and maintained by the unit.

Greater than \$25,000 and less than or equal to \$50,000 (for all fund types)

Procurement will solicit from a minimum of three (3) responsible suppliers. Formal quotations will be requested only from those suppliers deemed qualified.

Greater than \$50,000 (for all fund types)

Procurement will solicit from a minimum of five (5) responsible suppliers. Formal quotations will be requested only from those suppliers deemed qualified.

Exemptions from Bidding

For New York State appropriated funds, contact Procurement Services.

Bids will not be required when any of the following conditions apply:

State Contract:

The acquisition of goods and services from New York State Contracts is exempt from bidding for any dollar amounts. The unit has the option to request bidding at their discretion and in consultation with Procurement.

Preferred Supplier Agreements:

Procurement has Preferred Supplier Agreements with several vendors. These suppliers have participated in a competitive bid and negotiation process to establish pricing, service levels, and terms and conditions for a particular product or service category. The agreements are established based on the University's requirements for the particular product or service category (commodity).

Generally, orders issued to a preferred supplier preclude bidding. Contact procure.support@cornell.edu if you are working on an order that may exceed \$100,000. Request a quote from the preferred supplier and enter the information on the requisition. No additional paperwork is required. To view the complete list of preferred suppliers, please refer to the Procurement web site <https://www.dfa.cornell.edu/procurement/supplierlistview>. Additional information on each supplier is provided by clicking on the supplier's name.

Contract Supplier:

These suppliers have participated in a competitive bid process and Procurement Services maintains a relationship through a formalized agreement. These suppliers may have been competitively bid by Procurement Services, New York State, or a group purchasing organization (GPO).

Generally, orders issued to contract suppliers preclude bidding. Contact procure.support@cornell.edu if you are working on an order that may exceed \$50,000. Purchase orders greater than \$25,000 will be reviewed by a procurement agent and may be bid at the discretion of the agent. A quote is required from the supplier. Enter the information on the requisition and submit the paperwork with the requisitions to Procurement Services.

Single Source/Sole Source Purchases:

Where competition may not be feasible due to the single source or sole source nature of a commodity or a particular specification, a written justification is required and **reasonableness of price must be established**. Use the Single/Sole Source Justification form, which is available on the Procurement website at <https://www.dfa.cornell.edu/procurement/tools-forms/forms/source-justification>. This applies to purchases over \$25,000 for all funds. Additional procedures are required for New York State appropriated funds.

Local and Diverse Suppliers:

In the interest of diversifying the university's supplier base and supporting the university's goals of inclusion, Cornell may, at the discretion of the Procurement Agent, purchase directly from local or certified diverse suppliers (as defined by the Small Business Administration) without soliciting competition. The Agent must take steps to ensure that the prices charged are reasonable and that the selection of the supplier assists in this mission.

Recycled Products:

In the interest of meeting the University's goals of sustainability and environmental protection Cornell may, at the Procurement Agent's discretion, purchase recycled goods directly without soliciting competition. The Procurement Agent must take steps to ensure that prices are reasonable.

Emergency Orders:

An emergency is defined as a critical situation which is an unanticipated and sudden occurrence which is life threatening, catastrophic in nature, or involves pressing necessity for immediate repairs, reconstruction, or maintenance in order to permit the safe continuation of a necessary use or function, or to protect the property or the life, health, or safety of any person. Orders may be issued in these emergency situations at the Procurement Agent's discretion without soliciting competition. Procurement Agents must take steps to ensure that prices are reasonable.

Catering Services, Hotel/Event Space Rental, Hosted Events

Selection of a service provider for catering or a venue for a hosted event are based on criteria which may include location, number of guests/attendees, hosting dignitaries, accessibility, parking, event budget, and so forth. These types of services typically do not lend themselves to bidding and as such are exempt from the bidding requirement. However, these services must use the appropriate contract and purchase order and the vendor must provide the necessary certificates of insurance as required. *These services are exempt from the bid limit unless contract, grant, or federal funds are used to pay for the service.*

Human Resources Recruiting Services

The Human Resources' Employment and Recruitment Center is responsible for approving all contracts for professional services with employment search firms. These firms offer a specialized service to meet specific criteria established by the college or administrative unit. *These services are exempt from the bid limit unless contract, grant, or federal funds are used to pay for the service.*

Cornell Cooperative Extension (CCE) Association Services

Purchase of extension association related services, requested by Cornell Cooperative Extension (CCE) Administration units, is exempt from the bidding requirement due to the nature of our land grant mission, including when contract, grant, or federal funds are used to pay for the services.

Source (Vendor) Qualification

A college or administrative unit may submit the names of prospective bidders (i.e., bidders list). Procurement will identify additional bidders if necessary, to comply with bid requirements. Procurement will add or delete suppliers from a bidders list based upon factors including but not limited to size (which relates to the ability to provide and/or service the requirements), past performance, financial resources, quality assurance, technical capability, competitive pricing, customer service and through current research on available suppliers, including input from end users/units at Cornell. Only suppliers deemed qualified will be invited to participate in an RFP.

Types of Bid Requirements (Solicitations)

The following defines the types of bid solicitations used by Procurement. Information and results from RFP's, RFQ's & RFI's are Cornell University confidential. Responses to any of these types of bid solicitations may not be shared with parties outside of Cornell University, including vendors.

- **Request for Proposal (RFP)** – This is a formal invitation to vendors to submit a proposal to provide a product or service. The RFP contains project specifications, application procedures, and deadlines. The responses are evaluated based on dollar amount, quality, service, delivery, and other criteria as described in the document. Results may not be shared with parties outside of Cornell University, including vendors. For New York State appropriated funds, additional procedures and paperwork are required for RFPs over \$10,000. Results may be shared with parties outside of Cornell University, including vendors.
- **Request for Quotation (RFQ)** – This is an invitation to vendors, which is used to get pricing and delivery information for a list of items with a clear set of specifications. Results may not be shared with parties outside of Cornell University, including vendors. For New York State appropriated funds, additional procedures and paperwork are required for RFQs over \$10,000. Results may

be shared with parties outside of Cornell University, including vendors.

- **Request for Information (RFI)** – This is an informal request. This is used to collect general information about suppliers or products and services. An RFI is used to gather information to help decide regarding the next step as needed in the process. The results of an RFI may be used to generate formal specifications for an RFP. Results may not be shared with parties outside of Cornell University, including vendors.
- **Invitation for Bid (BID)** – This is a formal invitation to vendors to submit a proposal (bid) on a specific goods or services. The vendors submit sealed bids which are opened in a meeting that is open to the public. The Invitation to Bid is used for expenditure of New York State appropriated funds when the purchase amount is greater than \$50,000.

Single Source and Sole Source Justifications

These guidelines apply to all purchases greater than \$25,000 for all fund types, where competition may be restricted due to a variety of reasons such as technical specifications, proprietary information, method of distribution, or upgrades of existing equipment.

A **Single Source** is the one source among others in a competitive marketplace which for a justifiable reason has predominate qualifications for selection for contract award.

A **Sole Source** is the one and only source regardless of the marketplace, possessing a unique and singularly available performance capability for the purpose of contract award.

Roles and Responsibilities

It is the responsibility of the End User/Unit and the Procurement Agent to indicate the basis for awarding the purchase to a single source/sole source and to determine that the non-competitive price was fair and reasonable.

The *End User/Unit* will justify and document in writing, the reasons why competition may be restricted; and also provide information which establishes the reasonableness of the price (refer to the single/sole source justification form). The [Single/Sole Source form](#) should be completed, dated, and signed by the End User/Unit prior to attaching it to the requisition being submitted to Procurement Services.

Procurement Services will verify the justification and documentation and/or supplemental information provided by the End User/Unit. All single/sole source justification forms that identify using funding from grants, contracts, or federal funds may be routed to Sponsored Financial Services for review prior to the release of the purchase order.

The Single/Sole Source form and directions are available on the Procurement Services web site at <https://www.dfa.cornell.edu/procurement/tools-forms/forms/source-justification>.

e-SHOP

Policy

Cornell's e-procurement system is the preferred method for initiating an order for goods and services. For suppliers enabled in this system, units should utilize this procurement tool for all transactions with that supplier to ensure that the unit receives Cornell's discounted pricing.

Definition

e-SHOP is Cornell's branded e-procurement system, which allows the user to procure goods and services from a wide variety of selected suppliers through KFS. Low dollar purchases (generally under \$1,500) are eligible to be routed directly to the supplier with no additional approval requirements. Purchases above \$1,500 will route to your Business Service Center, and purchases over a pre-determined automatic purchase order (APO) limit (see below) will route to Procurement for approval, prior to being sent to the vendor.

Types of Suppliers in e-SHOP

The following types of suppliers are available in e-SHOP:

- Preferred (APO limits range from \$25,000 - \$100,000) – see definition in section 102
- Contract (APO limits of \$25,000) – see definition in section 102
- Pricing Agreement (APO limits of \$25,000; no bidding exemption) -- For your convenience, Procurement has pricing agreements with terms and conditions in place with suppliers who meet one of the following criteria:
 - They have discounted pricing for Cornell.
 - They have a service, license, or maintenance agreement with Cornell.
 - They support the local economy, i.e., located in Tompkins or adjacent county
 - They meet criteria for small or diverse business classifications, as defined by the Small Business Administration.
 - They support Cornell's sustainability initiative.

Process

When purchasing from a supplier that is available in e-SHOP, the requisition should be started in e-SHOP. e-SHOP provides several benefits to the user and to the University:

- The e-SHOP shopping cart populates the line item detail in the KFS requisition
- One shopping basket may be created for purchases from multiple suppliers
- Both users and approvers may store notes on the order, helping to document the history
- Transaction details are stored electronically

Not all items in a vendor's e-SHOP punch-out site or hosted catalog are under contract, for those items you are encouraged to shop for best price or contact Procurement to determine if the e-SHOP vendor will match the better price.

It is possible to create an order in e-SHOP that is greater than the formal bid limit of \$25,000. Such purchases will be routed to the BSC for approval and then to Procurement for final review and approval. Bidding may be required at the discretion of the procurement agent, see Buying Manual section 402, Bid Solicitations and Exemptions.

e-SHOP Training

In preparation for using the system, it is recommended that new users participate in the webinar and/or take the tutorials for KFS Basics and KFSPUR400e-SHOP Tutorial. For additional information on e-

SHOP, including training materials and the monthly webinar schedule, please visit the Procurement website at <https://www.dfa.cornell.edu/procurement/e-shop/training>.

Granting or Removing e-SHOP Access

To obtain access to e-SHOP and KFS, the end user should [contact his/her BSC](#). It is the responsibility of the BSC Director to review, approve, and update employee access to KFS and e-SHOP. Everyone with a valid Cornell NetID is automatically set up with a Shopper role. The Kual Security Request (KSR) doc is used to grant or remove access for the e-SHOP User and e-SHOP Plus User roles. When either the e-SHOP User or e-SHOP Plus User role is removed, the access will automatically default to the Shopper role.

e-SHOP Roles

The four e-SHOP roles are described below.

1. **Shopper:** This role is automatically available to any individual with a valid Cornell NetID. This role allows all users to review supplier catalogs in e-SHOP and create shopping carts of goods or services in e-SHOP. These carts must be assigned to an “e-SHOP User” to create a purchase order.
2. **e-SHOP User:** This role has a **\$1,500 automatic purchase order (APO) limit** and the permission to initiate, edit and accept assignment of carts in e-SHOP and fully process them as Purchase Orders in KFS. This role should be requested for all users who initiate e-SHOP transactions **OR** any user who would be assigned a cart to complete in KFS from another e-SHOP user. This role will be granted by the BSC using the Kual Security Request (KSR) doc.
3. **e-SHOP Plus User:** This e-Shop user role has a higher **\$5,000 APO limit**. This role also has the permission to initiate, edit and accept assignment of carts in e-SHOP. This role should only be requested for users who meet **both** of the following criteria:
 - a. **Position** – such as:
 - i. Administrative/Business Manager
 - ii. Inventory staff (ordering to replenish or create inventory for a warehouse or job)
 - iii. Positions that require procurement of timely or emergency goods
 - iv. Procurement buyers - such as those in Facilities Services
 - b. **Card history and experience:**
 - i. Demonstrated history of compliance with pcard policy
 - ii. Demonstrated and frequent need for higher limits (e.g., type of purchases or need for quick or non-work hour procurements)
 - iii. Demonstrated potential need for emergency purchases
 - iv. Demonstrated and frequent need for the purchase of expensive equipment/materials.

This role will be granted by the BSC using the Kual Security Request (KSR) doc.
4. **Vendor:** This role grants an e-SHOP vendor limited e-SHOP access and the ability to create a custom quote by creating a vendor cart for approval by an e-SHOP user. Access is granted by Procurement based on e-mail requests by the applicable Strategic Sourcing Agent; no KFS access is granted or needed.

BSC e-SHOP Access Process Tips

- **e-SHOP User.** Requesting e-SHOP User role access is done via the Kual Security Request (KSR) doc. Once the Org and Primary/Secondary Approvers are set up, the doc will route for approval accordingly.

Buying Manual

Subject: The Purchase Order Process

Title: e-SHOP

Number: 403

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- **e-SHOP Plus User.** Once the individual meets the e-SHOP *Plus* User role criteria stated above, initiate the Kuali Security Request (KSR) doc to request access. Once the Org and Primary/Secondary Approvers are set up, the doc will route for approval accordingly.
 - **Requirement:** Ad hoc route “Approve” the KSR doc to the individual’s Department/Unit Chair and the appropriate BSC Director for approval.
- Once all approvals have been obtained, the access will be granted immediately.
- To modify a role from e-SHOP Plus User to e-SHOP User, you must process a request to remove the e-SHOP Plus User role and process a separate request to create the e-SHOP User role.

Terms and Conditions

Definition. The Terms and Conditions of the Purchase Order give Cornell University legal protection in all procurement actions and comply with laws governing its operation. The Terms and Conditions are published on the Procurement website at <https://www.dfa.cornell.edu/procurement/suppliers/doing-business/terms>.

Responsibilities

Procurement Services:

- Procurement Services (Procurement) is responsible for the issuance of and changes to the Terms and Conditions in consultation with the Office of University Counsel, Risk Management and Insurance, and the Office of Sponsored Programs.
- Any time a Supplier presents his/her Terms and Conditions as part of a transaction, a procurement agent (who has transaction authority for the University as defined in [University Policy 4.2, Transaction Authority and Payment Approval](#)) is required to review the supplier's terms for any conflicts that may exist between the supplier's Terms and Conditions and Cornell's Terms and Conditions.
- To amend a supplier's terms and conditions, the procurement agent responsible for issuance of the order may do so either electronically, by requesting the document from the supplier, or by striking the clauses in pen. The agent should be mindful to print legibly any additional terms and initial the change.

End User/BSC:

- In the event that a supplier presents his/her terms and conditions, the unit should forward the requisition, contract, terms and conditions, and any other accompanying paperwork to Procurement for review. Legal counsel will be asked for assistance as required.

Insurance Requirements

Cornell University requires that vendors who perform a service for the University meet [minimum levels of insurance coverage](#). Vendors must submit evidence of adequate insurance coverage as requested **prior** to performance of work or services for the University. If you are unsure as to whether the intended service provider must provide proof of insurance, the Cornell unit should contact the Department of Risk Management and Insurance. If the vendor does not have the [required insurance](#), submit a [Cornell Insurance Waiver Modification Request Form](#) to Risk Management and Insurance per the instructions on [their website](#).

A service is defined as an activity in which labor is the major factor and not merely incidental to the production, acquisition, and/or delivery of a good. Examples of services include hay delivery, catering, equipment repair, and web site design.

General Guidelines

- When a service is to be provided by a vendor, insurance is always required to mitigate any risk or harm to individuals or the university (e.g., financial impact, legal and regulatory concerns).
- When working with web developers and software companies, (e.g., programming, hosting, or data storage services or access to Cornell systems), cyber insurance is required.
- When hiring academic consultants from other universities or funding project with grants and contracts managed through the Office of Sponsored Programs, insurance is required.
- When Cornell is reselling a good or service, insurance from the vendor is required.

High Risk Activities

Certificates of insurance must be on file prior to work commencing for activities identified as high risk. High risk activities are identified as charter events (i.e. watercraft, aircraft, bus, van), drones, catering service, alcohol service, equipment installation, IT related consulting service, software or website implementation, services that require human contact (i.e. massage or henna service), contact with minors, or entertainment-related equipment (i.e. bounce houses, concert equipment). In addition, the procurement agent has the discretion to require a certificate of insurance beyond these instances.

Proof of Insurance

Caterers who have already provided proof of adequate insurance are listed on the Risk Management and Insurance web site at <http://www.risk.cornell.edu>.

Additionally, if you have access to KFS, you may view a vendor's insurance coverage and expiration dates in the vendor record. From the KFS Main Menu, select Vendor from the Lookup and Maintenance section. From the vendor record, view the Vendor Insurance Tracking tab.

If a unit wishes to engage a vendor to perform work or services identified as high risk or to confirm insurance requirements, contact Procurement. Procurement will contact the vendor to obtain the appropriate insurance certificates.

- ❖ **Caution:** Vendors are **not** to commence work or services for the university prior to the submission of proof of adequate insurance, if requested.

Questions Regarding Insurance Requirements

All requests for exceptions to the standard insurance requirements should be submitted by the end user and must be approved by the Department of Risk Management and Insurance. To request a waiver or modification to Cornell's insurance requirements, submit a [Cornell Insurance Waiver Modification Request Form](#) to Risk Management and Insurance. The Cornell unit should contact Risk Management at risk_mgmt@cornell.edu for assistance with the form.

Standard Insurance Requirements

Vendor will carry insurance to financially support indemnification of Cornell as provided herein, and shall provide certificates of such insurance, upon request. Annual automatic renewals of the certificate of insurance must be requested from the Vendor's Insurance carrier and sent to Cornell upon the annual expiration date of the insurance policies.

These minimum requirements of the University shall not limit the liability or responsibility of the Vendor. Cornell's failure to enforce the requirements shall not be considered to be a waiver of any requirement. Any changes to these requirements shall only be made in writing and agreed upon by all parties. For vendors, consultants, and contractors, Risk Management's standard insurance requirements are published on its website at <https://www.risk.cornell.edu/risk-guidance/vendors-insurance/>.

The Office of Risk Management and Insurance provides guidance on the use of **drones for University-related business and recreational purposes**. For information and help with FAA regulations for recreational, educational, and commercial use as well as local ordinances and safety guidelines, please review the specific requirements on Risk Management and Insurance's website at <http://www.risk.cornell.edu/forms-documents/risk-guidance/drones-guidelines/>.

Other Requirements for all insurance coverage:

- **Additional Insured:** Cornell University, its trustees, officers, directors, agents, representatives and employees are to be added as Additional Insured as required by contract and evidence of such will be provided on a certificate of insurance. Each policy shall contain provisions giving Cornell at least 30 days written (10 days in the case of non-payment) notice of cancellation, non-renewal or other change in coverage. The coverages shall also be primary and non-contributory.
- **Proof of Insurance:** Certificates of Insurance evidencing all required coverage must be received by the Procurement Services, 377 Pine Tree Road, Cornell University, Ithaca, New York 14850, insurance.procur@cornell.edu, prior to any work being performed.

Exceptions to the Standard Buying Guidelines

Risk Management and Insurance does not require the collection of certificates of insurance from major hotel chains for their providing of guest rooms. The provision of catering and meeting space does require proof of insurance unless an exception is granted by Risk Management and Insurance.

- ❖ **Caution:** Prior to procuring any services, always review the [Purchases with Special Procedures: Paying for Services](#) section of this manual.

Roles and Responsibilities

End User, Unit, BSC:

Inform the Procurement Agent when:

- An item specification is being developed for planned procurement action
- It is required that specific vendors be added to a bidders' list
- Procurement action is planned involving a potential sole or single source of supply
- Sources of supply need to be identified for a specific item or commodity
- Supplier services or products are not in compliance with specification or expectation

Procurement Services Agent:

- Maintain a current list of [commodity assignments](#) on the Procurement Web site
- Identify alternative sources of supply through regular commodity reviews
- Manage the bid process for selection of the best source of supply
- Conduct negotiations with suppliers
- Provide acceptable terms and conditions for procurement actions
- Resolve legal and risk management issues that arise in the source of contract and purchase order negotiations with the aid of University Counsel's Office and Office of Risk Management and Insurance
- Review any and all aspects of a purchase requisition, including accuracy of specifications, so that the best interests of the University are served
- Assist units with the development of specifications for required products and services

Sustainable Purchasing

Introduction

Cornell formalized the commitment to campus sustainability in the 2010-2015 Cornell University Strategic Plan. As part of this plan, the practices used in purchasing goods ought to follow the new sustainable guideline set forth by Procurement Services (Procurement). Each purchase has an impact on the goals Cornell has set to achieve in the Climate Action Plan.

Making a Purchase

The preferred method for purchases, including those considered sustainable, is through e-SHOP. The goods in e-SHOP contain product flags to make it easier for you to identify green certified, recycled, and Energy Star products.

Green certified includes products which are labeled under green or sustainable certification processes, excluding Energy Star or recycled goods. These products meet a standard including, but not limited to: Green Seal, EPEAT, Forest Stewardship Council (FSC), and Sustainable Forestry Initiative (SFI).

Recycled content products are made from pre-consumer or post-consumer material diverted from the waste stream.

Energy Star products are labeled and certified by government-backed program. Energy Star helps businesses and consumers protect the environment through energy efficiency. Look for the energy star label.



Energy Efficient Purchasing

To meet the desired results of the Climate Action Plan and our commitment to sustainability, Cornell University has implemented a plan for purchasing energy efficient products. The university has pledged to make a dedicated effort to purchase products that are Energy Star certified or meet the performance requirements for Energy Star certification. This practice includes but is not limited to the purchase of computers, appliances, electronic equipment, and food service equipment.

It is the responsibility of each purchaser to select products with this label. Search for products in e-SHOP with the Energy Star flag to find the good you need which meets the certification standard.

Visit the Energy Star web site at energystar.gov/index.cfm to see for yourself the savings in energy cost by using these certified appliances and models. For more information on sustainable purchasing and recommended products, visit the Procurement Services web site at <https://www.dfa.cornell.edu/procurement/about/initiatives/sustainability/purchasing>.

Life Cycle Cost Analysis

Life Cycle Cost Analysis focuses on evaluating the economic performance of a building including the building process, operation, and maintenance over its useful lifetime. Tradeoffs are made between the initial costs and long-term savings made through choices such as energy efficient purchasing.

Buying Manual

Subject: The Purchase Order Process

Title: Sustainable Purchasing

Number: 408

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Although this analysis is related to sustainability it is not identical. For life cycle cost analysis, the focus is on cost-efficient building design and production. Solutions determined through this analysis may be environmentally beneficial. Particular designs which save energy or water will often result in a long-term cost savings.

Life-cycle costing is also applied to the purchasing of appliances and equipment on a smaller scale. When making purchasing decisions, you are encouraged to buy products which exceed the minimum efficiency standards set by the Department of Energy. ENERGY STAR has created comprehensive techniques to identify energy-efficient products that offer savings on energy bills without sacrificing performance.

Due to the continuous updates to the standards, we ask that you refer to the links below to find the current standards. Appliance and equipment purchases made at Cornell should meet the listed Energy Star standard at a minimum.

Department of Energy Standards:

- <http://energy.gov/eere/buildings/standards-and-test-procedures>

Energy Star Standards:

- http://www.energystar.gov/certified-products/certified-products?c=products.pr_find_es_products
 - Select the product type
 - Select the specifications tab
 - Utilize the product criteria link for the Energy Star Standards

Contracts (formerly Section 502)

Definition. A contract is a legally binding agreement between two or more persons or parties describing terms and conditions. The term “contract” is defined in this context as various agreements related to the procurement of equipment, supplies or services. These contracts should not be confused with the construction contracts that are administered by the Unit of Contracts Management. Examples of vendor’s contracts include maintenance agreements, service agreements, licensing agreements, leases, rental agreements, and quotations/order forms with terms and conditions or links to terms and conditions.

If the contract poses a substantial risk, the Procurement Agent may request additional review by the Office of University Counsel and/or the Department of Risk Management and Insurance. Review of documents can take anywhere from two weeks to several months depending on the complexity and the amount of negotiation required. Units are strongly encouraged to involve Procurement Services (Procurement) as early as possible, certainly in advance of submitting a final requisition with a contract.

Roles and Responsibilities for Contract Review, Approval, and Signature

End-User:

1. **Do not sign any vendor’s contract.** Only an authorized Procurement Agent may sign a contract per University Policy 4.2, Transaction Authority and Payment Approval
2. Review the vendor’s contract
3. When using a Cornell contract template, initial, sign and date as required on the template
4. The end user may complete and sign the IC Amendment and PSA Amendment if the contractual terms and conditions have **not** been modified, e.g., timeline, amount, scope of work. If the scope of work has been modified for an IT Professional Services Agreement, the Statement of Need must be updated and resubmitted to IT Security for review.
5. All requests for exceptions to the standard insurance requirements must be approved by the Department of Risk Management and Insurance. To request a waiver or modification to Cornell’s insurance requirements, submit a [Cornell Insurance Waiver Modification Request Form](#) to Risk Management and Insurance. The Cornell unit should contact Risk Management and Insurance at risk_mgmt@cornell.edu for assistance with the form.
6. Send the contract, Waiver-Modification Request form, and Risk Management’s response to the BSC with the request for a requisition. **By submitting the contract, or authorizing another staff member to do so, you attest that you take full responsibility for understanding the business terms and conditions of the contract, i.e., timing, payments, cancellation fees, etc. Any liabilities that result due to the failure to meet the business contractual terms will be the responsibility of the end user’s department or college.**

Business Service Center:

1. Review and attach the contract, Waiver-Modification request form, Risk Management’s response, and other necessary documents to the requisition
2. Procurement Services hereby delegates signature authority for contracts totaling less than \$25,000 to the directors of the financial transaction, administrative service, and business service centers and their BSC designees within the business service center for the following Cornell contracts and addendums only:
 - a. Caterer
 - b. Facility and Hotel Event Management Addendum
 - c. Performer without Equipment
 - d. Performer with Equipment

- e. Services Provider
- f. Service Provider for Graphic Design or Videography
- g. Service Provider for Photographer, Illustrator, Artist
- h. Service Provider for Writing, Editing, Indexing
- i. Service Provider for Language Translation and Interpretation
3. The BSC director/designee should attach a copy of the signed contract (per number 2 above) to the requisition and select "Yes" to send the executed contract to the vendor. If the specific contract amount is \$25,000 or more, it must be routed to Procurement for review and all bid requirements apply.
4. All vendor contracts (non-Cornell template) must be submitted to Procurement for review and approval by a procurement agent regardless of dollar amount.
5. All Cornell consulting agreements (i.e., Independent Consultant, Professional Services, and IT Professional Services) must be submitted to Procurement for review and approval by a procurement agent regardless of dollar amount.
6. Any revisions to Cornell's standard contracts must be submitted to Procurement for review and approval by a procurement agent.
7. If you have received approval for contract revisions from Risk Management or Counsel's Office, attach the approvals to the KFS requisition.

Procurement Services:

1. The Procurement Agent is responsible for reviewing the business and legal aspects of the contract and for negotiating terms and modifications
2. Request additional review by the Office of University Counsel, as needed
3. Sign the agreement on behalf of the University
4. Send the contract to the vendor with the purchase order

Requirements for Initialing and Signing Contracts

Contracts for Services	Unit Initials – each page	Unit Initials – last page	Unit Signature	BSC Director or Designee Signature < \$25,000	Procurement Signature
Vendor Templates	Yes	Yes			Yes
Cornell Templates:					
Independent Contractor	Schedules	Yes			Yes
IC Amendment		Yes			Yes*
Professional Services	Schedules	Yes			Yes
IT Professional Services	Schedules	Yes			Yes
Professional Services Amendment		Yes			Yes*
Facility Addendum				Yes	Yes
Caterer Contract			Yes	Yes	Over \$25,000
Performer without Equipment			Yes	Yes	Over \$25,000
Performer with Equipment			Yes	Yes	Over \$25,000
Services Provider			Yes	Yes	Over \$25,000
Service Provider for Graphic Design, Videography			Yes	Yes	Over \$25,000
Service Provider for Writing, Editing, Indexing			Yes	Yes	Over \$25,000

Service Provider for Photographer, Artist, Illustrator			Yes	Yes	Over \$25,000
Service Provider for Language Translation or Interpretation			Yes	Yes	Over \$25,000
Professional Search Firm			Yes		Yes

♦ **Note:** * If the contractual terms and conditions have not been modified, a procurement agent's review and signature is not required. If the scope of work has been modified for an IT Professional Services Agreement, the Statement of Need must be updated and resubmitted to IT Security for review.

Buying Manual

Subject: Purchases with Special Procedures

Title: Ethyl Alcohol

Number: 601

Issued: February 9, 2009

Revised: January 3, 2012

Ethyl Alcohol**Ordering and Control**

Cornell must comply with federal laws set by the U.S. Department of Treasury when purchasing Ethyl Alcohol. Special procedures are in effect to govern the ordering, use, control and reporting of tax-free alcohol required for University use.

End user/Unit/BSC:

All locations where Ethyl Alcohol will be used or stored must appear on Cornell's license to buy tax-free alcohol. To have a new location added or to delete a location no longer applicable to the license, please contact Procurement Services (Procurement).

Procurement will maintain the license for ethyl alcohol, including annual renewal.

Buying Manual

Subject: Purchases with Special Procedures

Title: Entry Permits USDA

Number: 602

Issued: February 9, 2009

Revised: March 1, 2012

Entry Permits USDA

Cornell must comply with the federal laws that govern plant material, seeds and animals purchased from outside the limits of the United States. The requisitioning department will be responsible for obtaining the necessary U.S. Department of Agriculture Entry Permits. The Address to obtain the proper permit is:

USDA
APHIS-PPQ
Federal Building
Hyattsville, MD 20782

Materials and Equipment Requiring Radiation Safety Approval

Prior to purchase, radioactive materials and items which either use radiation sources or produce radiation must be approved by Environmental Health and Safety (EHS). The KFS requisitions for radioactive materials are automatically routed to EHS for approval based on the UNSPSC (commodity code) classification:

- 12142200 Isotopes
- 12142203 Alpha sources
- 12142204 Beta sources
- 12142205 Cobalt sources
- 12142206 Gamma sources
- 12142207 Radioisotope sources
- 41103301 Liquid scintillation counters
- 41106006 Radio nucleotides or nucleosides

End User/Unit/BSC:

1. **Radioactive Material**
 - a. Radioactive Material may be purchased with a purchase order through KFS or through e-SHOP. Use of a procurement card is not permitted. If e-SHOP is not used, the End User must use one of the commodity codes listed above to ensure routing to EHS for review.
 - b. For radioactive materials, the ship-to address of the requisition must list EHS as the destination. Enter the permit holder on the attention line in the ship-to address.
 - c. Only authorized personnel within a unit may call Procurement Services for an emergency order number or confirming order for radioactive material.
2. **Sealed sources, Instruments containing sealed sources, and Radiation producing equipment**
 - a. When the unit needs to requisition any items within these groupings, early development of specifications should be coordinated and approved through the responsible representative of EH&S (Radiation Safety).
 - b. Contact them at 255-7397 or 254-8300.

Procurement Services:

1. For the following list of categories, the Procurement Agent will ad hoc route the requisition to the EHS radiation specialist for approval:
 - Radioisotopes or radioactive materials
 - Nuclear Density Gauges
 - Gas Chromatographs (GC)
 - Electron Capture Detectors (ECD)
 - Liquid Scintillation Counters (LSC or LS)
 - X-Ray Producing Equipment (e.g., Generators, Diffractometers, Computed Tomography, CT)
 - Electron Microscopes (e.g., Scanning, SEM, Transmission, TEM)
 - Static Eliminators
 - Neutron Moisture Probe
 - Ion Implanter
 - Lasers

Buying Manual

Subject: Purchases with Special Procedures

Title: Laminar Flow and Fume Hoods

Number: 604

Issued: February 9, 2009

Revised: March 1, 2012

Laminar Flow and Fume Hoods

To ensure that the hood is adequately designed to handle the research for which it is being used, Environmental Health and Safety must approve all chemical fume hood, biosafety cabinets and laminar flow clean bench purchases. In addition, all vented hoods must be approved by Facilities Engineering.

End User/Unit/BSC:

The requisition is processed normally. A notation that this is a laminar flow and/or fume hood is entered on the requisition. Individuals should contact EH&S for their advice before submitting the requisition or pre-approval.

Narcotics

The procurement of Narcotics requires a license with the New York State Department of Health (NYSDOH) and a registration from the Drug Enforcement Administration (DEA).

End User/Unit/BSC:

It is the end user's responsibility to obtain a license and registration appropriate for the anticipated use of controlled substances. Usage of another licensee/registrant number for procurement is not allowed. Each requisition for controlled substances (Narcotics) must be accompanied by a properly prepared DEA form (dependent on the drug schedule) signed by the registration holder. If the vendor does not currently have a current copy of the registration and license, then a copy must accompany the requisition. The vendor will not ship the items without a copy of the license and registration on file. Contact Environmental Health and Safety (EHS) before purchasing to assist in procurement of Narcotics. For more information, visit www.health.ny.gov/professionals/narcotic/licensing_and_certification_and www.deadiversion.usdoj.gov/drugreg/index.html.

Cornell University, EHS, and Procurement Services do not hold a university license or registration.

Orders for Lab Animals and Custom Antibodies

Use of live animals for research, teaching or demonstration at Cornell, is regulated under the Animal Welfare Act and by Public Health Service agencies such as the NIH. All animals must be received, housed and cared for in compliance with federal and state regulations as well as Association for the Assessment and Accreditation of Laboratory Animal Care International (AAALAC) guidelines. It is the responsibility of each Animal Facility Manager to adhere to these regulations. All such activities must be approved by [Cornell's Institutional Animal Care and Use Committee \(IACUC\)](#). Approval is indicated by an approved IACUC protocol number in Cayuse (the protocol management system). The acquisition of custom antibodies (see definition below) is considered the use of live animals, because animals are being used specifically for the purpose of a Cornell activity. Commercially available antibodies do not need IACUC approval because animals were not used specifically for the use by Cornell.

Each department/college/unit has specific individuals who purchase animals. If a department/college/unit needs to order animals, the purchaser must coordinate the order through the animal facility manager responsible for the animal facilities where the animals are to be housed. Purchase orders will be routed based on UNSPSC classification to the appropriate approving authority.

Definitions

Custom Antibodies are antibodies that are produced using antigens provided by or at the request of the investigator (i.e. not acquired off-the-shelf). The use of custom antibodies at Cornell University requires IACUC approval as outlined in [IACUC Policy #360: Obtaining Custom Antibodies from Live Animals](#).

Commercially Available Antibodies are antibodies that have already been produced and are available from external sources.

Procedures for authorizing the purchase of custom antibodies from an external source

1. Department procurement cards (pcards) cannot be used for the purchase of custom antibodies. Commercially available antibodies may be purchased with pcards.
2. Purchase Orders (PO) should be used for the purchase of custom antibodies. The Researcher should enter commodity code 98100000, for custom antibodies, in the Requisition. For commercially available antibodies, use commodity code 98xx0000.
3. Purchases with commodity code 98100000 will route to Research BSC staff for review: Leslie Planck (lmp32) or Charyl Barnes (cd88).
4. The Requisition should include the following information:
 - a. Name and contact information for the source of antibodies
 - b. Approved IACUC protocol number in the Description section. Requisitions without approved protocol numbers will not be approved until IACUC approval has been granted. Research BSC staff will send a note to the researchers attempting to purchase custom antibodies without an approved IACUC protocol and will copy the IACUC staff on the correspondence.
5. Research BSC staff will contact IACUC staff by email – Chris Bellezza (cab37) or Rob Felt (rjf243) for review of Requisitions
 - a. IACUC staff will review the Requisition and will check the protocol to verify that the source is listed in the IACUC protocol and that all required documentation is present.
 - b. IACUC staff will respond with either verification that the purchase can proceed or with instructions to wait until IACUC approval has been granted.

Buying Manual

Subject: Purchases with Special Procedures

Title: Orders for Lab Animals and Custom Antibodies

Number: 606

Issued: February 9, 2009

Revised: February 02, 2022

- c. IACUC staff will aid the Researcher in obtaining IACUC approval and appropriate documentation and will provide the approved IACUC protocol number to BSC staff.
- d. Once IACUC staff contact BSC staff with instructions to approve the Requisition, BSC staff will add the new IACUC protocol number to the Requisition (if required), and will route the Requisition to the appropriate account reviewers based on the account number provided in the Requisition.

Buying Manual

Subject: Purchases with Special Procedures

Title: Respiratory and Hearing Protection

Number: 607

Issued: February 9, 2009

Revised: March 1, 2012

Respiratory and Hearing Protection

Cornell's Office of Environmental Health and Safety maintains programs for respiratory and hearing protection. Before a worker may use this protective equipment, the environment they work in may need to be evaluated for particular hazards. In all cases, respiratory and other protective equipment needs to be properly selected and individually fitted for each worker. The Office of Environmental Health and Safety sells this equipment directly to University departments.

Prior to placing an order for the purchase of any respiratory or hearing protection devices, contact Environmental Health and Safety for evaluation and approval of the purchase. For further information, please contact Procurement Services (255-3804) or Environmental Health and Safety (255-5623).

Buying Manual

Subject: Purchases with Special Procedures

Title: Poison Inhalation Hazards

Number: 608

Issued: February 9, 2009

Revised: March 1, 2012

Poison Inhalation Hazards

Poison inhalation hazards are normally gases or liquids which form gases at room temperatures and have an NFPA or CERCLA rating of 3 or 4. To ensure that these gases are received, stored and used in a safe manner with the proper engineering controls and conforming to inventory reduction regulation, prior approval from Cornell's Office of Environmental Health and Safety (EH&S) is recommended. For additional information please refer to the [EH&S web site](#).

End User/Unit/BSC:

It is the unit's responsibility to contact EH&S prior to ordering, receiving, or storing gases. The requisition is processed normally.

Energy Procurement

Statement: Cornell University's administration is authorized to procure energy, energy related financial instruments (both physical and financial) and power purchase agreements with the intent of reducing volatility and controlling costs. This requires the procurement of certain energy hedges, some of which will extend across multiple fiscal years. The Utilities and Energy Management sections (of Facilities Services' Energy and Sustainability Department) cost of energy procurement will be applied to all central Utilities and Energy Management customers through the appropriate utility rate.

Purpose: Allow forward purchases in energy (physical or financial) and power purchase agreements to control and stabilize energy costs.

Goals of this policy include:

- Limit transaction risk and size
- Give guidance on diversification of the energy portfolio
- Define the approval processes

Entities Affected by This Policy

- All Ithaca campus units that receive energy services via Cornell Utilities and Energy Management
- Division of Financial Services
- Office of Budget and Planning
- Office of the Treasurer

Authorization: The aggregate of energy-related contracted cash flows shall not exceed \$36 Million in any fiscal year. The aggregate present value of the energy portfolio shall not exceed five (5) times the projected annual value of the energy spend of approximately \$180 Million.

Authorized Instruments

The following instruments are authorized and may be used independently or in combination:

1. Purchasing contracts for physical delivery or financial settlement over multiple year windows.
2. Establishing energy reserves in the Utility budget to cover variability in annual energy expense. These reserves will be funded by utility rates.
3. Purchasing of futures (either over the counter or exchange backed) from an energy broker. Such instruments may be taken to physical delivery, if necessary, with a pre-specified delivery point.
4. Purchasing derivatives (swaps, collars and options) in the over the counter markets.
5. Purchasing weather derivatives, based on an over the counter swap contract using degree days or other weather-based statistics.
6. Entering into long term (not to exceed 50 years) power purchase agreements (or equivalent financial instruments) for energy.

Use of Consultants

When buying in the forward energy markets, an independent third-party consultant may be retained to give advice on pricing, counterparty credit, portfolio management, and to develop portfolio performance reports. A portfolio manager may be retained to establish recommendations to meet the policy guidelines, manage the layering, prepare any solicitations and execute the rollover of the instruments.

Buying Manual

Subject: Purchases with Special Procedures

Title: Energy Procurement

Number: 609

Issued: February 9, 2009

Revised: May 4, 2015

Oversight Requests for approval shall be presented with an analysis of the following:

- An explanation of the proposed purchase
- The aggregate present value of contracted cash flows and pro forma projections
- Project risks and benefits
- Demonstrate compliance with buying manual or request for exception

Requests for approval (and exception) will be made by the Vice President of Facilities Services to the Vice President for Finance and CFO.

Advisory The Energy Risk Oversight Committee (EROC), with representatives from Utilities and Energy Management, Procurement Services, Treasury, Budget, the Investment Office and major customers. The committee chair shall be the Associate Vice President of Energy and Sustainability or another designate from Energy and Sustainability. This committee will perform the following:

- Evaluate the performance of the energy portfolio on an annual basis and report to the CFO.
- Meet with representatives of Utilities and Energy Management to discuss strategy and manage the implementation process.
- Recommend all hedge requests and annual budgets for fuel and electric rates.

Strategy The strategy to guide the Energy Risk Oversight Committee (EROC) includes:

- Fuel instruments shall not have terms longer than 5 years.
- Renewable energy power purchase agreements shall not have terms longer than 50 years.
- Energy portfolios shall be layered over time in order to diversify the portfolio and minimize the financial impact on annual budget cycles.
- The goal of natural gas hedging is to provide relative price certainty for budget purposes.

Other rules related to Portfolio Management

- The University may hedge energy using futures purchased in its name or purchased on account by a third party.
- Instruments for physical delivery will be competitively procured when possible.
- No more than 15% of the value of any instrument shall be paid in advance of delivery or the equivalent closings.
- To the extent possible, positions shall be capable of being unwound if conditions change. This specifically allows the reselling of instruments and the resale of an energy commodity or its transportation basis on the secondary market.
- Derivative based instruments (swaps, collars, options) will be written, to the maximum extent possible, in accordance with the International Swaps and Derivatives Association's (ISDA) or the Edison Electric Institute's master documents.
- All transactions will be accounted for and audited in accordance with existing and appropriate accounting procedures.

Deviations to this policy within the limits of transaction authority may be approved by the Vice President for Finance and CFO.

Requirements for Counterparties

Counterparties for energy instruments where payment is made at or after physical delivery will have a

Buying Manual

Subject: Purchases with Special Procedures

Title: Energy Procurement

Number: 609

Issued: February 9, 2009

Revised: May 4, 2015

minimum credit rating determined by the Senior Director of Procurement Services.

For instruments where the commodity is not to be taken to physical delivery, or significant payment (>5%) is to be made prior to physical delivery, the counterparty must have a credit rating of "A3" as defined by Moody's Investor Service or "A-" as defined by Standard & Poor's. For counterparties with a split rating, each rating must be at least at the minimum of A3 or A-. Exceptions to these requirements are permitted with approval from the Vice President for Finance and CFO.

Transaction Authority

The Executive Vice President for Finance and CFO has transaction authority for the purchase of energy or energy instruments as defined in this policy.

Requisitioning of Signs

All signs located on Cornell property must be in compliance with Cornell's Sign Program policies and specifications and must conform to existing zoning and sign ordinances. Development of specifications for signage must be coordinated through the responsible representative as listed below:

Sign Type	Responsible Representative	Contact Information
Exterior Building Mounted Cast Aluminum Letters	Customer Service Humphreys Service Building	255-5322
Interior Signage and Graphics	Customer Service Humphreys Service Building	255-5322
Traffic Control Signs	Transportation & Mail Services 116 Maple Avenue	255-4600
Temporary Signs: Construction Projects	Transportation & Mail Services 116 Maple Avenue	255-4600
Temporary Signs: Special Events, Conferences, Orientations, etc.	Transportation & Mail Services 116 Maple Avenue	255-4600
All Other Exterior Signs	Transportation & Mail Services 116 Maple Avenue	255-4600

The department must contact the appropriate Sign Program representative (as listed above) to coordinate the development of the sign specifications for compliance with policy. When the specifications are finalized, the department may request that Procurement Services (Procurement) obtain pricing and delivery information. Procurement will then process the Request for Quote or the requisition.

Buying Manual

Subject: Purchases with Special Procedures

Title: Recycling and Disposal of Equipment

Number: 611

Issued: February 9, 2009

Revised: March 1, 2012

Recycling and Disposal of Equipment

To provide for the proper methods of disposal for refuse and materials destined for waste disposal, the University has implemented a recycling program to comply with all applicable regulations.

Solid Waste Management is a program of the Grounds Department. The primary goal of the program is to provide environmentally sound solid waste disposal alternatives to the Cornell campus. The program promotes reduction and reuse of materials in addition to offering a comprehensive, convenient recycling program that even includes free removal and recycling of old computers.

For a list of equipment accepted for disposal, please consult the Grounds Department' Recycling web site at http://www.fm.cornell.edu/fm/recycle/fmn_recycle.cfm.

For more information, contact the University Solid Waste Manager at recycle@cornell.edu.

Use of Cornell Logo, Name & Insignia

The purpose of this policy is to advise schools, units and organizations of procedures for processing orders that involve the use of Cornell's name, logos, trademarks, insignia, or nicknames on items such as T-shirts, mugs, hats, memorabilia, and other clothing and products.

"Most major colleges and universities, including Cornell, have a licensing program that regulates the use of school names, trademarks, insignias, Logos, etc. on merchandise produced for use by college and university units and student groups, or the sale on and off campus. Cornell participates in national and international licensing programs administered by the Collegiate Licensing Company (CLC). These programs prevent bootlegging and ensure that Cornell names and artwork are used on only those products approved by the University."

The User/Unit/BSC is responsible for getting approval from Cornell's Office of Communications, which is the responsible entity for approving and screening requests for logo approval. You may also visit the website, <http://cornelllogo.cornell.edu/> for guidelines on using the Cornell logo or insignia, or to acquire a copy of the approval form.

Any club, organization, or university department that wishes to use the Cornell name or artwork on novelty items such as mugs, pens, shirts, etc. must obtain written approval from the Student Activities Office. The Cornell Name and Artwork website (<http://dos.cornell.edu/sleca/event-planning/use-of-cornell-name-logo-artwork>) which explains the procedure and allows you to download the appropriate form. This form is available electronically at <http://dos.cornell.edu/sites/dos.cornell.edu/files/sleca/documents/Use-Cornell-Logo.pdf>.

For your request to be approved, you must select a manufacturer that is licensed by Cornell University or the Collegiate Licensing Company. A list of licensed manufacturers is available from the Student Activities Office, 521 Willard Straight Hall, the Office of University Communications, 308 Day Hall or can also be found online at http://cornelllogo.cornell.edu/downloads/Licensed_Companies.pdf or <http://cornelllogo.cornell.edu/list.cfm>.

Please do not attach the approval form to the requisition. You may mention that you have approval from the Office of Communications in the "Department Notes" section of the requisition.

- A separate request form must be submitted for each manufacturer selected. Because our signature and artwork are required, this request must be submitted in writing.
- Once approved, a copy of this form and artwork must be presented to the manufacturer before the items can be ordered.
- Please note that an approved design will not require subsequent review and approval provided a licensed manufacturer is used and there is no change in the design.
- Generally, approvals will not place limits on the quantity of goods to be produced.

If you have any questions or need assistance, contact:

- General logo questions: identity@cornell.edu or 607-255-1167
- Web guidelines and graphics: identity@cornell.edu or 607-255-3854
- Audio visual guidelines: tv33@cornell.edu or 607-254-3369
- Merchandise guidelines: ffp1@cornell.edu or 607-255-1573

Buying Manual

Subject: Purchases with Special Procedures

Title: New York State Appropriated Orders

Number: 613

Issued: February 9, 2009

Revised: March 1, 2012

New York State Appropriated Orders

Funds Procedures

Orders that are funded by New York State (NYS) appropriated funds must comply with both Cornell University policy and New York State policy. Please review the individual grant requirements prior to procuring goods and/or services.

New York State Contracts

The New York State Office of General Services Procurement Services Group (OGS) establishes contracts for commodities, services, and technology. These contracts are available for use by eligible entities across New York State. These contracts are established through a competitive bidding system and awarded on the basis of lowest price and/or best value to a responsive and responsible vendor. Most OGS contracts can be used to make direct purchases. All requisitions should include the OGS customer number and the NYS contract number.

New York State Preferred Sources

To advance special social and economic goals, New York State grants certain providers a “preferred source” status under the law. The purchase of commodities and/or services from Preferred Sources is exempted from statutory competitive procurement requirements. State University of New York (SUNY) defines preferred sources as the correctional industries program of the New York State Department of Corrections, approved charitable non-profit agencies for the blind, any employment program serving mentally ill persons which is operated by the New York State Office of Mental Health, any qualified charitable non-profit-making agency for severely disabled persons approved by the New York State Commissioner of Education, or veterans workshops operated by the United States Department of Veterans Affairs and approved by the New York State Commissioner of Education. Appropriate backup information designating the vendor as a preferred source must accompany the requisition.

Resources

For assistance with these orders, please contact procure.support@cornell.edu.

Orders Using Sponsored Funds

Orders that are funded by Sponsored Funds (KFS fund group CG) must comply with both Cornell University policy and the policies of the sponsor and/or the federal government.

Agency Specific Terms

There are frequently used terms and conditions associated with a particular funder (e.g., the federal government) or agency (e.g., USDA). These terms are typically contained in the sponsored agreement either explicitly or by reference. Federally funded acquisitions must also be in accordance with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR 200). The End user and their unit must be aware of the requirements of their particular award and must notify the BSC of any special requirements that must be referenced on the purchase order.

Frequent terms seen in sponsored agreements include:

- Need for diverse spending to groups such as MBE, WBE, etc.
- Lease-purchase analysis as part of the justification of the acquisition
- Inclusion of certain award-specific terms and conditions in the purchase document

Some purchase requisitions on sponsored funds may be pre-reviewed by Sponsored Financial Services to assist in compliance with sponsor requirements.

If you have further questions about a particular procurement or award, please contact Sponsored Financial Services or Office of Sponsored Programs.

Buying Manual

Subject: Purchases with Special Procedures

Title: Artwork Loans and Purchases for the Herbert F.
Johnson Museum of Art

Number: 615

Issued: January 15, 2015

Revised:

Artwork Loans and Purchases for the Herbert F. Johnson Museum of Art

The Herbert F. Johnson Museum of Art (Museum) purchases and/or borrows works of art. Because the Museum routinely conducts such transactions, the Museum is not required to utilize a purchase order for such transactions as long as the following conditions are met.

Conditions for Purchase Order Requirement Exception

1. The Museum will determine the artwork authenticity prior to finalizing a purchase or loan agreement with a vendor.
2. The Museum will execute an Acknowledgement of Objects Received form as they take possession of artwork.
3. The Museum will place the artwork under its Museum Collection and Temporary Loans insurance policy prior to taking possession of the artwork. (Note: The Museum Collection and Temporary Loans insurance policy is maintained by the Office of Risk Management and Insurance.)
4. The Museum will add all artwork purchases to its department artwork inventory.

Buying Manual

Subject: Purchases with Special Procedures

Title: Editors, Indexers, and Designers for CU Press

Number: 616

Issued: June 30, 2015

Revised:

Editors, Indexers, and Designers for Cornell University Press

Cornell University Press will utilize a generic Independent Contractor Agreement for all editors, indexers, and designers. The agreement template will incorporate the standard terms and conditions of a purchase order, i.e., insurance and indemnification, necessary to protect the University and mitigate any possible risk.

With a contract, CU Press may pay editors, indexers, and designers, using the disbursement voucher method. Because these individuals exercise complete independence in their edits of University Press manuscripts, provide service to multiple customers and university press organizations, do not provide service on the Cornell campus, and do not receive tools or training from the University, the University Tax Office has waived the service provider questionnaire and evaluation worksheet requirements for these service providers only.

Cornell University Press may not pay anyone, who is currently a Cornell employee or who has been a Cornell employee in the past calendar year, for editing, indexing, or design services via disbursement voucher or purchase order.

The University Business Service Center and CU Press will ensure that the vendors are properly registered as disbursement voucher vendors with valid IRS Form W-9 and ACH registration.

Export Controls

Export Control Laws are a set of federal regulations that restrict the release of certain items, information and software to foreign nationals in the United States and abroad. Those regulations are the Export Administration Regulations (EAR) and International Traffic in Arms Regulations (ITAR), as well as regulations administered by the Office of Foreign Assets Control (OFAC).

Cornell University is fully committed to compliance with all U.S. Government export control laws and regulations.

Export Compliance is the responsibility of all Cornell University faculty and staff. All staff, faculty, and students at the University must comply with the Cornell University Export and Import Control Compliance Policy.

Penalties for non-compliance with export control laws are severe and impact both the institution and the individual involved. If an export control violation is determined by an investigating agency, an individual may be subject to civil and criminal penalties, and Cornell may be subject to, among other penalties, debarment from government contracts.

The Export Control Office, under the direction of the Vice President for Research and Innovation, assists the University community in understanding and complying with export control laws and regulations. For additional information, tools to assist in determining how the regulations apply to your activity, and contact information for assistance with export control concerns, please visit <https://researchservices.cornell.edu/export-controls>.

End-User Responsibilities

1. Be aware of export control compliance and that some export control terms and conditions provided by suppliers for goods or services must be negotiated or in rare cases may not be acceptable.
2. Follow any requirements determined and conveyed by Cornell's Export Control Office or conveyed by Procurement Services regarding compliance with export control related terms.
3. Do not sign any contracts, agreements, or any other documents that contain terms and conditions. Attach all such documents to your I Want Document and submit to your service center.

Business Service Center Responsibilities

1. Review the I Want Document attachments, e.g., quote, contract, or agreement.
2. If there are export control terms, compare the clauses to the pre-approved clauses below.
 - a. If they match, proceed with the order process.
 - b. If they differ, mark the line item as restricted to route the order to Procurement Services for further review.
3. Inform end-user and department administrator where there is a term that requires Cornell to notify the supplier if any items are exported or transferred beyond Cornell University, and that the department and administrator are responsible for complying with the term.

Procurement Services Responsibilities

1. Review the requisition and attachments. If a contract contains export control clauses that differ from the approved clauses below and have not been approved by the ECO, then contact the Export Controls Office (ECO). Ensure that purchase orders are not released until the ECO approves.
2. Negotiate changes or obtain additional information as directed by ECO
3. Obtain ECO final approval prior to releasing the purchase order if the export control clauses are not pre-approved.
4. Once ECO approval is received (if required per above), release the purchase order and inform the end-user and department administrator of any modifications made to the export control terms during the procurement review.

Export Control Office Responsibilities

1. The Export Control Office will review the contract for the Export Control clauses provided by the procurement agent where Cornell requires such review and will advise on any necessary changes or other information needed in order to proceed with the purchase.
2. Inform Procurement Services of final approval (or denial) of agreement in cases where required.
3. Provide regular updates to guidance in the buying manual.
4. Provide training to PIs, Procurement Agents, and research units as reasonably requested.
5. Assist in resolution of screens that return questionable status for new vendors.

Export Control Clauses

ECO Review Required:

These types of clauses/situations require review by the ECO and approval prior to releasing the purchase:

- Where there is any mention of International Traffic in Arms Regulations (ITAR)
- Where the supplier is providing export-controlled technology or software source code (rare)
- Terms that *allow* a supplier to provide technical data or information that is export controlled, whether or not the actual service/item/information is export controlled.
- If a restricted party screen returns questionable status information

ECO Pre-approved Clauses:

These clauses are acceptable and do not require ECO review and should not be sent to the ECO:

- Agreement to abide by all applicable law
- Statement that we will not use items being purchased for prohibited use
- Requirement that purchaser has an export control program in place (Cornell does have a program in place)
- Requirement that Cornell notify a supplier if the item is being transferred, shipped, exported, etc., beyond Cornell
 - The business service center or Procurement Services will notify the purchaser and department supervisor or administrator of the requirement

For Help, Please Contact:

Export Control Office
T: 607-255-5284
E: exportcontrols@cornell.edu

Information Technology Governance Process

Cornell University expects all stewards and custodians of information technology (IT) systems and services to develop, manage, and use those systems and services in a manner consistent with the university's requirements for data security, data confidentiality, and business continuity. In support of this charge, Cornell has an IT Governance Framework based on formal policy and delegated responsibilities.

Before any IT applications, software, or services are purchased, the university's approval process must be followed.

Approval Process Required before Buying IT Software, Applications or Services

Work with an IT leader in your college, department, or administrative unit to submit an IT Statement of Need.

[Submitting an IT Statement of Need](#) is the first step toward purchasing IT software, applications, or services. This step helps ensure that Cornell makes sound purchasing decisions in alignment with the university's goals and remains in compliance with all applicable laws and university policies.

An IT Statement of Need is required for any IT application, software, or service that would require internal or external IT expertise or effort, or products, tools, or resources to develop, purchase, alter, upgrade, decommission, etc., an IT application or service, regardless of source of funds or availability of staff time. This includes IT applications, software, or services that are planned for use within a single department, center, college, or unit if the application requires expertise beyond that which a non-IT functional end user could provide.

Exceptions: *A few scenarios don't require an IT Statement of Need ([see this list of exceptions](#)). Two common exceptions: If research sponsored funds are being used for the purchase, OR if the purchase is for faculty and will not be used with [regulated data](#), an IT Statement of Need is not needed. When you submit your purchasing request to Cornell Procurement, be sure to specify the exception.*

After the IT Statement of Need is submitted, it enters a one-week collegial review period, during which university and IT leaders have an opportunity to review and comment. A CIT committee also reviews the IT Statement of Need during this period.

While the IT Statement of Need is being reviewed, you should begin working through the [Checklist for Purchasing Administrative IT Software and Services](#), for example, requesting a Technology Risk Assessment (TRA), having a web accessibility review done, completing the Data Steward Request Form, or having a privacy review done. Alternatively, you can wait to receive the "next steps" email from the IT Project Management Office confirming what steps from the checklist must be taken before the purchase can be processed and approved by Cornell Procurement.

Contact pmo@cornell.edu with questions.

Buying IT Applications, Services, or Software After Completing the IT Statement of Need Process

When you submit your purchasing request to Cornell Procurement, attach copies of the IT Statement of Need, the "next steps" email from the IT Project Management Office confirming what steps from the [Checklist for Purchasing Administrative IT Software and Services](#) were required, and documentation showing the outcome or results of those steps.

Please note:

- Must be purchased on a purchase order when there is a contract that requires a signature, e.g., vendor contract, export control terms, vendor terms and conditions.
- Orders with incomplete information cannot be processed by the Business Service Center representative or procurement agent.

End User Responsibilities

1. Review the IT Governance process at <https://it.cornell.edu/itgovernance>.
2. Work with an IT leader in your college, department, or administrative unit to [submit the IT Statement of Need](#) and to complete the required parts of the [Checklist for Purchasing Administrative IT Software and Services](#).
3. The "next steps" email you will receive from the IT Project Management Office will confirm which steps from the Checklist must be taken before the purchase can be processed and approved by Cornell Procurement. Once you have completed those steps, attach the following documents to the I Want Doc:
 - The "next steps" email from the IT Project Management Office.
 - All required documents identified in the "next steps" email (e.g., Technology Risk Assessment, Web Accessibility review, Data Steward Request Form, Privacy review).
 - Vendor's quote, agreement, or contract, as appropriate.

For additional information, please contact the Project Management Office (PMO) at PMO@cornell.edu.

BSC Roles and Responsibilities

1. PCard edoc (PCDO) processing
 - a. If the IT Statement of Need process was completed, attach the "next steps" email and all required documents identified in the "next steps" email to the PCDO, then proceed with normal process
 - b. If the IT Statement of Need process was not completed, then have end user complete the process and attach the documents identified in 1.a. to the PCDO
2. I Want Document processing
 - a. Review the "next steps" email from the IT Project Management Office regarding the IT Statement of Need and ensure that all documentation is attached to the requisition for the required steps. (Note: Orders with incomplete or missing documentation must be returned by the procurement agent.)
 - b. If a contract is attached (regardless of dollar amount), the order must be processed on a requisition and marked as line item restricted to ensure routing to Procurement.
 - c. The requisition must comply with the requirements above, per the "next steps" email attached.
 - d. If no contract is attached, then proceed with the standard process based on dollar amount after ensuring that the requirements per the "next steps" email have been met

Graphics Procurement

When purchasing printed material, units must adhere to Cornell's Visual Identity, Style Guidelines and Logo Approval for print and novelty/promotional items.

- Cornell Visual Identity website <http://www.cornell.edu/identity/>
- Cornell Logo website <http://www.sao.cornell.edu/SO/logo.php>

The Office of Publications and Marketing is responsible for overseeing the university's visual identity for proper use of the Cornell logo and style guidelines. Publications and Marketing is staffed with writers, editors, and graphic designers who can work with you to create print and electronic communications that reflect Cornell's strategic goals. Please contact Publications and Marketing at 255-4945 to discuss your needs.

Cornell Photography <http://imagelibrary.photo.cornell.edu/> website link:

- Purchase Cornell Images

Cornell Digital Print Services <http://www.cbsds.cornell.edu/> website link:

- Cost-effective, high quality copy & digital color printing

Arts and Sciences' Concert Series and Performances

Delegation of Signature Authority

This delegation of signature authority from the Senior Director of Procurement Services authorizes the Department of Music to sign contracts for a concert series on behalf of the University only if the contract has been reviewed by the Office of University Counsel.

This delegation of signature authority from the Senior Director of Procurement Services authorizes the Department of Performing and Media Arts to sign contracts on behalf of the University for performances at the Schwartz Center only if the contract has been reviewed by the Office of University Counsel.

All modifications other than dollar value or performance date will be reviewed by the Office of University Counsel and the Office of Risk Management and Insurance.

Signature authority for the College of Arts and Sciences' concert series, performance artists, and major events up to \$100,000 is granted to:

- Deborah Justice, Concert Series Manager, in the Department of Music
- Chris Riley, Administrator, in the Department of Performing and Media Arts

Policy Exception

The University Tax Office has consented to allow the Department of Music to engage former Cornell students or employees, utilize the Performer without Equipment contract, disregard the service provider attestation, and process the payment via disbursement voucher. This exception was approved by William D. Allen, Assistant Vice President of Tax and Financial Initiatives.

This exception to policy is granted to the Department of Music only. This exception is limited to an exemption to the service provider attestation and requirement that the individual be paid through the University Payroll Office.

Student and Campus Life's Entertainment Contracts

Delegation of Signature Authority

This delegation of signature authority from the Senior Director of Procurement Services authorizes the Assistant Dean of Students and the Student and Academic Services Business Service Center Director to sign contracts for major events for students on behalf of the University only if the contract has been reviewed by the Office of University Counsel.

These contracts for major events require specific contractual language and review by the Office of University Counsel. These two departments host these events and work with both University Counsel and the Office of Risk Management and Insurance.

All modifications other than dollar value or performance date will be reviewed by the Office of University Counsel and the Office of Risk Management and Insurance.

Signature authority for the Office of Student and Academic Services and the Office of the Dean of Students for performance artists and major events up to \$100,000 is granted to:

- Shura Gat, Campus and Community Engagement Program Coordinator
- Sharon Baum, Director, Student & Academic Services (alternate)

External Lease Program (formerly Section 503)

Cornell's external lease program with UniversityLease provides departments with the option to return the leased equipment at the end of the lease term or buyout for Fair Market Value or \$1. This program is only available for items which cost over \$100,000.

- Managed by Procurement through UniversityLease
- Operating lease with no asset transferred to Cornell University after end of lease or a \$1 buyout option to own the equipment
- Pre-approved lease program with negotiated rates and terms
- Ability to work with any preferred vendor or other equipment vendor

Procedure:

- End User/Unit obtains a current, written price quote on the purchase price of the required equipment. The normal procurement process will apply in obtaining the price quote (e.g., bids, preferred supplier, single/sole source justification). End User/Unit notifies the supplier that the equipment will be leased through UniversityLease.
- End User/Unit contacts Procurement. Procurement will contact UniversityLease and provide them with a copy of the quote, the length of the lease and whether the payments will be monthly, quarterly or annually.
- UniversityLease prepares the quote for the lease and provides the original to Procurement. Procurement will send the documents to the end user for review and approval to move forward with the lease.
- End User/Unit initiates an IWNT DOC for UniversityLease covering the lease for the selected length and payment schedule.

Procurement approves the requisition and sends the purchase order and signed lease documents to UniversityLease.

Internal Borrowing Guidelines (formerly Section 504)

The University's internal borrowing guidelines are guiding principles to effectively utilize capital resources, including debt financing, in achieving the mission and goals of the University while minimizing the cost of funds. Units sponsoring a capital project that requires debt financing must ensure that the project is in compliance with the [Capital Project Funding Guidelines](#).

Basic Guidelines

Under extenuating circumstances, certain exceptions to these guidelines can be approved by Planning and Budget and the Treasurer's office.



- For loans under \$500,000, amortization period is five years or less
- For loans under \$1,000,000, amortization period is 10 years or less
- Loan repayment period cannot exceed the life of the financed asset. Maximum loan period is 30 years or the term of the underlying debt instrument, whichever is shorter.
- Interest is paid during construction period; principal and interest amortization will begin within one year of project completion (e.g., certificate of occupancy)
- Compounding of interest will be available only on projects with a repayment source not available during construction (e.g., gift pledges or revenues to be generated by the completed project) greater than \$5 million and pre-approved by Planning and Budget and Treasurer's Office
- All projects must have a formal funding plan and a contingency funding plan (backstop repayment source)

Internal Borrowing Guidelines may be reviewed on the University Treasurer's Web site at <http://www.dfa.cornell.edu/treasurer/debt/internal-debt/internal-borrowing>.

Small and Diverse Business Programs (formerly Section 505)

Cornell University endeavors to promote the development of mutually beneficial business partnerships so that Small, Small Disadvantaged, Woman-Owned, Veteran-Owned, Service-Disabled Veteran-Owned, and HUB Zone business concerns (hereafter collectively referred to as “small/small disadvantaged business concerns”) have competitive access to participate under Cornell University's procurement of materials, supplies, and services consistent with effective and economic purchasing practices.

Cornell University's departments and purchasing personnel should plan purchases in a manner that encourages participation by small business concerns, including economic quantities, reasonable delivery schedules and allowing enough time to these types of business enterprises to submit bids. When mutually beneficial, Cornell University will provide assistance to small/small disadvantaged business concerns.

You may wish to review the definitions for the above categories in the Federal Acquisition Regulation  (<http://www.arnet.gov/far/>) 19.7 or 52.219-8. If you have difficulty ascertaining your size status, please refer to the Small Business Administration's  (SBA's) web site (<http://www.sba.gov/contractingopportunities/officials/size/index.html>), or contact your local SBA office.

Cornell Sustainable Campus (formerly Section 506)

Cornell University supports research, scholarship, and the practical application of knowledge that address one of humankind's greatest challenges: achieving a sustainable world for all.

The university's specific commitment to campus sustainability was recently formalized in the new [2010-2015 Cornell University Strategic Plan](#). The plan calls for sustainability to be a guiding principle in all campus operations and specifically the implementation of the [Climate Action Plan](#) and [Comprehensive Master Plan](#). For information on teaching, research, and outreach for sustainability visit the [Cornell Sustainability Portal](#).

Progress in campus sustainability requires participation and innovation from every corner of campus. From the links below you can learn about the diverse efforts of student organizations, staff green teams, and the Cornell Assemblies' three sustainability committees. In particular, the [Presidents Sustainable Campus Committee](#) and the [Sustainability Office](#), along with 10 [President's Sustainable Campus Committee Focus Teams](#), play important roles in the coordination and support of these efforts.

For more information, visit the Sustainable Campus website at <http://www.sustainablecampus.cornell.edu/about/>. For information on the Purchasing Team, visit <http://www.sustainablecampus.cornell.edu/about/#purchasing>.

Surplus Program (formerly Section 507)

The Cornell Asset Transfer System (CATS) replaces the capital asset surplus listing. CATS allows units to post excess and scrap items online and make them available to other units. Units can post and browse ads for available and wanted Cornell *capital and non-capital items only*. ***Personal items may not be posted on this system.***

All policies still apply, including those related to transferring and disposing capital assets. For information on asset policy, see [University Policy 3.9, Capital Assets](#).

Note: Before capital asset items are posted, they will be routed automatically to Capital Assets for review.

For questions, contact the Capital Assets department via telephone at (607) 255-9872 or 255-9464 or via e-mail at Uco-capasset@Cornell.edu.

For more information on R5 Operations: Respect, Rethink, Reduce, Reuse, Recycle visit its website at <http://r5.fs.cornell.edu/>.

The Office of Government and Community Relations coordinates equipment requests from the off-campus community. You are required to notify and gain approval from Community Relations before a gift can be made to an individual or outside agency. You may contact them via telephone at 255-4908 or via e-mail at community_relations@cornell.edu for more information.

Charter Buses and Limousines

Environmental Health & Safety has defined the following process to ensure that hiring transportation for groups of nine (9) or more passengers, including the driver, is both safe and efficient. To ensure that the selected vendor is in compliance with [Federal Motor Carrier Safety Administration \(FMCSA\) standards](#), **all requests must be processed on a purchase order and routed to Procurement Services** by marking the requisition as line-item restricted.

Vendor Selection

EH&S's approval is required in addition to Procurement Services vendor approval and proof of insurance requirements. When making your travel arrangements, please allow time for the approval process, especially International travel that requires coordination with Global Operations (Navigate).

When selecting a provider for transport of nine (9) or more passengers (not operated by Cornell drivers), refer to Environmental Health and Safety's (EH&S) [Passenger Transport Compliance Data Sheet](#). The list is limited to recently used companies reviewed for compliance by EH&S. **If your selected provider is not listed on the Data Sheet or is listed in red, contact Bill Leonard (255-5616 or wl68@cornell.edu) for review before proceeding with the requested provider.**

Additionally, transportation network companies (TNCs) must identify the passenger transport company that will be operating the vehicle in their quote, proposal or contract to be considered for review.

Payment Options

Charter buses and limousines for 9 or more passengers are not eligible for procurement card or travel and meal card use – a purchase order is required.

Hiring Drivers

You may not hire individuals to drive Cornell faculty, staff, students, visitors, or groups of 7 or less. You may utilize a limousine service, Uber or Lyft business accounts, or taxi services. Contact Risk Management and Insurance for guidance.

Controlled Substances

Definition:

A controlled substance is generally a drug or chemical whose manufacture, possession, or use is regulated by federal and/or state government.

Controlled substances may be used only for duly authorized, legitimate medical or scientific research purposes, to the extent permitted by a registrant's license and registration, and in conformity with state and federal statutes and regulations.

Registration and Licensing Requirements:

The purchase of Controlled Substances requires a license with the New York State Department of Health (NYSDOH) and registration with the Drug Enforcement Administration (DEA). Contact Environmental Health and Safety (EHS) for assistance in the application process at askEHS@cornell.edu.

Vendor Selection:

Controlled substances can only be purchased from vendors that have signed the attestation for selling controlled substances approved by Cornell University Procurement Services. These vendors include:

- Krackeler Scientific for Sigma-Aldrich products
- MWI
- Midwest Vet
- Coventrus (Schein)
- VWR

Roles and Responsibilities:

End User/Unit:

1. All principal investigators with a need to purchase, possess, and use controlled substances (Schedule I-V) for laboratory research must register, and maintain active registration, with the [Federal Drug Enforcement Administration](#) (DEA). This registration must be surrendered when the use of controlled substances in the investigator's laboratory is terminated. An investigator cannot provide controlled substances to another individual UNLESS they are collaborating on the same study and are co-listed on the same protocol that governs the work the controlled substances are used for.
2. It is also the responsibility of the end user to obtain a NYSDOH license. Usage of another license or registration number for purchases is prohibited.
3. Complete a DEA form 222 for purchases of Schedule I and II controlled substances and attach to the I Want document or purchase request submitted to the BSC.
4. Orders for controlled substances shall be limited to only those drugs specified on the principal investigator's currently active DEA registration.

BSC:

1. Each controlled substance purchase must be covered by a valid NYSDOH license, DEA registration, and purchase order for the authorized controlled substance schedule.

Buying Manual

Subject: Purchases with Special Procedures

Title: Controlled Substances

Number: 628

Issued: November 20, 2019

Revised:

- a. If the approved vendor does not have a current copy of the DEA registration and NYSDOH license, then a copy must accompany the requisition, or the vendor will not process the purchase order.
2. Confirm that DEA form 222 is attached to requisitions for Schedule I and II controlled substances.
3. **Use commodity code 97000000** on the requisition for controlled substances.

❖ Notes:

- The approved vendor will ship the controlled substance to the address listed on the DEA registration.
- Notifications of controlled substances purchased will be sent to the licensee/registrant associated with the registration number used.
- Neither Cornell University EH&S nor Procurement Services hold a university license or registration for purchasing or utilizing controlled substances.

Procurement Services:

1. Review vendor selection and documentation
2. Issue the purchase order

Payment Methods

A purchase order is required for the purchase of controlled substances. Use of a procurement card, disbursement voucher, cash, check, personal payment, or money order is prohibited.

Licensee/Registrant will not be able to purchase controlled substances utilizing a Purchasing Card (P-card), cash, check, or money order. Contact Procurement Services for questions about the procurement of controlled substances and EHS regarding the usage of controlled substances in research.

Resources:

For more information regarding the use or purchase of controlled substances in research, consult:

- EHS Controlled Substances website: <https://sp.ehs.cornell.edu/lab-research-safety/bios/controlled-substances/Pages/default.aspx>
- Regulatory Agencies:
 - NYS Department of Health (NYSDOH): www.health.ny.gov/professionals/narcotic/licensing_and_certification
 - Drug Enforcement Agency (DEA): www.dea diversion.usdoj.gov/drugreg/index.html

Needles and Syringes

Users of hypodermic syringes and needles must comply with applicable New York State Department of Health regulations, and users are responsible for appropriate certifications, procurement, storage, distribution, and appropriate disposal. New York State Department of Health requires all parties that need hypodermic needles and syringes to first obtain a license.

Roles and Responsibilities

End User/Unit:

1. It is the unit's responsibility to obtain a license for needles and syringes.
2. To apply for a license, complete the Certificate of Need to Possess Hypodermic Syringes and Needles form, which is on the NYS Department of Health, Bureau of Narcotic Enforcement website at www.health.ny.gov/forms/doh-2278.pdf.
3. Note the license number on each requisition or I Want Document.

Business Service Center

1. Ensure the license number is noted on each requisition.

Procurement

1. Procurement Services does not apply for nor maintain the license.

Resources

For additional information, contact:

- Bureau of Narcotic Enforcement
Riverview Center
150 Broadway
Albany, NY 12204
Phone: 866-811-7957, option 3
- Cornell Environmental Health & Safety
Website: [Safe Use of Needles and Syringes](#)
Contact: Biosafety Specialist, sem336@cornell.edu
Contact: Biosafety Officer, joshurse@cornell.edu

Regulations

- [Application for Certificate of Need to Possess Needles and Syringes](#)
- [10NYCRR Section 80.133 – Hypodermic Syringes and Needles; certificate of need](#)
- [NYS Narcotics Licensing](#)

Human Research Participant Payments

Cornell University often conducts research projects that involve the use of individuals, i.e., human participants (also known as human subjects). Payments to human participants may be made in the form of check, petty cash, or gift cards depending on the circumstances of the study and the dollar amounts involved. The university permits payments and incentives under the following conditions:

- Payments over \$100
 - Payments to human participants over \$100 per occurrence **must** be paid directly to the individual via university check.
 - Gift cards, gift certificates or in-kind payments over \$100 per occurrence are **not permitted** as remuneration for participation in a research study.
- Payments of \$100 or less
 - Human participant payments \$100 and under per occurrence may be processed via university check or other methods including petty cash, gift cards or in-kind payments.

No payment process can give confidential or personally identifiable information about the human participants to persons not entitled to receive it by an approved IRB protocol. Names, signatures, physical addresses, email addresses, and other similar information is personally identifiable information. Other information may be confidential. Any method of payments to a human participant must be described in the approved IRB protocol for the study. Any method of payment that requires personally identifiable information or other confidential information to be revealed in any way can be used only if a statement explaining the need to reveal the information is included in the Informed Consent Form for the study.

Covered Parties

This policy applies to all Principal Investigators (PI) and any other individual conducting research that involves monetary remuneration to human participants.

Tax Reporting

In order to fulfill the University's tax reporting responsibilities with the Internal Revenue Service (IRS), the University is obligated to obtain certain required information from the human participant if they will be paid \$600 or more in a calendar year. The University is obligated to report to the IRS on Form 1099 all U.S. Citizens and Resident Aliens receiving cumulative payments greater than \$600 annually and on Form 1042S all Nonresident Alien payments regardless of dollar value. If it is unclear if a person is a resident or nonresident alien, the required foreign national forms should be collected and sent to the Tax Office for a determination.

Please see the Summary of Payment Options and Processing Requirements for Human Research Participants table at the end of this buying manual section. The following information is currently required to be reported to the IRS for each human participant receiving remuneration of \$600 or more in a calendar year:

- Full legal name
- Status as a U.S. citizen, permanent resident, or resident alien for U.S. tax purposes
- Social security number (SSN) or individual taxpayer identification number (ITIN)
- Permanent legal address
- Mailing address (if different)

Informed Consent Form

The informed consent form for all studies that involve remuneration of \$600 or more, including confidential studies, shall disclose these IRS compliance requirements in a manner approved by the IRB.

If identifiable information will be sent to Cornell University departments (service center, Payment Services, etc.), this too, must be disclosed in the consent form. See the Cornell [IRB informed consent templates](#) for sample language to use.

Confidential Studies

With the understanding that all research studies involving human participants should protect the privacy and confidentiality of the participant, some studies are of a more sensitive nature and may require careful consideration of the payment method regardless of dollar amount. Consult the IRB to determine if your study is eligible for an exception on the payment method and/or documentation requirements for payments over \$100. If the exception is approved, the IRB staff will provide an email to document the approved exception.

Generally, the procedures for obtaining the funds for payment are as described below in “Paying Human Participants” and payments may not be made in the total amount of \$600 or more to any human participant in a single calendar year unless arrangements are made to obtain the required information described below.

Foreign Studies

In addition to the procedures in the matrix below, contact Global Operations (navigate@cornell.edu) regarding studies involving human participants that will be conducted outside of the United States. Global Operations can assist with legal aspects of payments in a specific foreign jurisdiction.

Reimbursements

Reimbursements for actual travel expenses (e.g., parking, mileage, tolls, etc.) to human participants are not considered compensation by the University or the IRS and can be processed as non-employee reimbursement using the appropriate object code. Cornell is not required to report these reimbursements as income to the IRS; therefore, these funds are not part of the \$600 threshold for tax reporting.

The research unit may pay on-campus Park Mobile payments for research participants with a travel and meal credit card. All travel related reimbursements must follow university policy 3.2, Travel Expenses. Typically, travel reimbursements are processed via check or petty cash.

Required Information

Regardless of the form of payment and type of study, the information listed below is required to be captured by the Principal Investigator (PI) as part of the research record supporting payment to all human participants. Payment documentation should be stored separately from research data.

- Date of study and remuneration
- Type of disbursement (e.g., check, cash, gift card)
- Amount of disbursement
- Individual disbursing payment
- Human participant's name (non-confidential studies) or identification number (confidential studies)
- IRB protocol number
- IRS Form W-9 or W-8BEN for check payments over \$100

Paying Human Participants

- **Form of Payment: University Check**
 - Mechanism for Payment: I Want Document (Disbursement Voucher)

- Preferred Method When: Payment by university check is the required method for all payments over \$100 unless an exception has been granted for highly confidential studies.
- Process Requirements:
 - Complete an I Want document. Include the payee name, address, and email address and payment amount. (Note: Informed Consent Disclosure must state that this information will be revealed.)
 - The PI has the discretion to collect either the W-9/W-8BEN form or an email address. The service center can use the email address to send an electronic registration invitation to the human participant.
 - Reference the IRB number in the business purpose. Business purpose should state: "Confidential study [date]; IRB Number ###; the PI securely maintains study data."
- **Form of Payment: Gift Cards**
 - Mechanism for Payment: [Tango Cards](#) or non-travel cash advance
 - Preferred Method When: Gift cards may be appropriate for smaller scale studies when the confidentiality of participants must be maintained, and the per visit payment to the participant is \$100 or less.
 - General: Payments to each human participant by gift card must be individually accounted for and reconciled monthly.
 - Documentation in PI's Study File:
 - Documentation showing receipt of payment
 - The documentation can be a single receipt per recipient or a listing with each participant's identification number and signature.
 - If recipients are offsite and cards are mailed or emailed, documentation needs to include reconciliation of cards purchased, distributed, and remaining and a certification that all cards charged to the sponsored agreement were distributed to participants or refunded thereto.
 - Process Requirements:
 - Gift cards and eGift cards should be purchased using [tangocards.com](#) or a non-travel cash advance
 - Reconciliations are required.
- **Form of Payment: Cash**
 - Mechanism for Payment: Petty Cash
 - Preferred Method When: For studies involving one-time cash payments to participants of \$20 or less.
 - General: Studies in which the recipient is paid in cash must be done through the establishment of a petty cash fund used exclusively for the purpose of paying human participants for a particular research study. For audit purposes, when using petty cash as a disbursement mechanism, a log must be tracked and signed by the PI or the PI's designee, but not the person who distributed the funds. Payments to each human participant must be individually accounted for and reconciled monthly.
 - Documentation in Study File:
 - Documentation showing receipt of payment with participant's signature and date.
 - The documentation can be a single receipt per recipient or a listing with each participant's identification number and signature.
 - For Confidential Studies, participant signatures should **not** be shared with the service center, as they are considered personally identifying information. In these cases, the PI must retain the documentation described above in their files.
 - Process Requirements:
 - To request a petty cash fund, complete the [Establish a New Petty Cash Fund form](#) for a review by Accounting.

- Once approved, contact your service center for assistance with requesting a new petty cash account.
- [Responsibilities of the Petty Cash custodian](#) include safeguarding the funds, maintaining receipts or records to support transactions, and completing a monthly reconciliation. A reconciliation template may be found at <https://www.dfa.cornell.edu/sites/default/files/petty-cash-reconciliation.xlsx>. Note that the Study File includes documentation for payment to X number of participants paid a total of \$\$\$ from date to date for IRB #.
- To replenish the fund or close it out after the research is completed, contact your service center.
- **Form of Payment: Drawing or In-kind gift for tangible personal property**
 - Mechanism for Payment: Determined by the nature of the prize, most likely e-SHOP or procurement card.
 - Preferred Method When: Eligibility for a prize may be appropriate when the nature of the study requires limited incentive, such as one-time participation in an online survey.
 - The consent form and recruitment materials (if applicable) must be in accordance with IRB guidelines.
 - Documentation in Study File:
 - Prize winner legal name, address, and social security number (if cumulative payments/prizes during the calendar year could reach \$600 or more).
 - Documentation showing receipt of prize or gift with participant's signature.
 - The documentation can be a single receipt per recipient or a listing with each participant's identification number and signature.
 - Process Requirements:
 - Prizes should be purchased in e-SHOP or with a procurement card, not personal funds.
 - Prizes with a value of \$600 or greater must be reported to the IRS. If value is greater than \$600, collect an IRS form W-9 or W-8BEN from the recipient. Report on the Cornell Tax Office's [Gift Card/Certificate Reporting form](#) and submit to the Tax Office with the IRS form.
 - Receipts are required for all procurement card transactions charged (or transferred) to sponsored awards and federal appropriations accounts.
- **Unauthorized Forms of Payment: Personal Funds, Venmo, PayPal, Cash Applications**
 - Under no circumstances should investigators' personal funds, Venmo, PayPal, or other cash applications be used to pay human research participants.
 - University funds (received via petty cash or advance) should not be transmitted via Venmo or PayPal or other cash applications to human research participants.

Online Survey Tools

Online survey tools, such as, Mechanical Turk, Prolific, Cloud Research, are considered a professional service. These providers utilize a unique identifier (or worker ID) rather than a participant's name. A report showing the unique identifier, date of payment, and payment amount may act as a receipt showing participation in the study and should be maintained by the principal investigator. The university provides access to the Qualtrics survey tool at no cost to faculty, staff, and students. See <https://it.cornell.edu/qualtrics> for further information.

Many of these survey tools require advance payments. Payments may be issued via procurement card or purchase order. It is the responsibility of the PI/researcher and their support team to ensure the funds are reconciled and unused funds are refunded appropriately. Please note that Mechanical Turk will invoice for payment rather than requiring advance payment.

IT-related purchases for faculty do not require an IT Statement of Need unless [regulated data](#) will be stored. Generally, IT applications, software, or services being purchased with sponsored funds don't require an IT SoN. For more information on the IT Statement of Need (SoN) process, please visit the [IT@Cornell website](#).

Object Code Use

When processing human participant payments, use the correct general ledger object codes:

- Cash, Check, or Gift payments: Use object code 6200, Fees-human participants
- Gift cards through Tango
 - To fund Tango before participation, use object code 1610, Prepaid expense and deferred charges
 - After cards are distributed, a Distribution of Income (DI) e-doc should be used to move funds to object code 6200, Fees-human participants
 - To fund Tango after participation, use object code 6200, Fees-human participants
- Travel reimbursement
 - Use object code 6751, Travel-domestic, non-employee
 - Use object code 6750, Travel-domestic, employee
- Research services, survey software, online survey tools or data collection: Use object code 6610, Services-Corporations, or other appropriate service object code

Record Retention

In the event of a university, IRS, or sponsor audit, it will be the joint responsibility of the PI/researcher and the related service center, working with Payment Services, to supply the Audit Liaison with all required supporting documentation for human participant payments made from the PI/researcher's accounts. PI/researchers must ensure all high-risk confidential information, including data relating to confidential studies, is maintained securely and in compliance with [Policy 4.21 Research Data Retention](#). The Division of Financial Services retains supporting documentation for any checks issued to an individual in accordance with [Policy 4.7 Retention of University Records](#). Sponsored agreement terms may dictate a longer retention period.

Roles and Responsibilities

The Principal Investigator, in conjunction with their support team, is ultimately responsible to assure proper accounting of payments made to human participants for fiscal accountability and federal tax purposes and to maintain privacy of the human participant. Other responsibilities include:

- Ensure that all human participants are informed during the consent process (verbal or written) of Cornell's responsibility for reporting human participant remuneration to the IRS for aggregate payments of \$600 or more.
- Document the participants' names or identification numbers and payments to those human participants in a log for studies where remuneration or incentive payments are used as enticement for participation. Tango Cards has standard reporting that provides this information for your records.
- Omit confidential information from check requests (I Want documents). The request should not link the participant to the research study by title nor should it ever include medical information, diagnostic information, personal information, or other legally protected health information.
- Ensure that potentially sensitive data is protected.
- All collected IRS forms should be sent to the Service Center via [Cornell Secure File transfer](#) and should not be retained locally.

- Participants' social security number should not be kept on a local desktop, laptop, or other computing device. The regulated data chart allows storage on Managed Servers only.

The table below is a summary of the requirements and processing instructions and is intended for reference.

Summary of Payment Options and Processing Requirements for Human Research Participants

U.S. Based Study	
Value \$100 or less	
Payment Type	Requirements and Processing
Gift Card Cash Drawing or In-Kind Gifts	<ul style="list-style-type: none"> • Required: Signed receipt or acknowledgement of payment. Keep on file with PI/Office. • Best Practice: Collect full legal name and keep on file with PI/Office.
Check	<ul style="list-style-type: none"> • I Want Document submitted to service center with IRB number • U.S. Citizen or resident alien: IRS Form W-9 • Foreign National: IRS Form W-8BEN
Value over \$100	
Check	<ul style="list-style-type: none"> • I Want Document submitted to service center with IRB number • U.S. Citizen or resident alien: IRS Form W-9 • Foreign National: IRS Form W-8BEN
Foreign-Based Study – U.S. Tax Resident	
Value \$100 or less	
Payment Type	Requirements and Processing
Gift Card Cash Drawing or In-Kind Gifts	<ul style="list-style-type: none"> • Required: Signed receipt or acknowledgement of payment. Keep on file with PI/Office. • Best Practice: Collect full legal name and keep on file with PI/Office.
Check	<ul style="list-style-type: none"> • I Want Document submitted to service center with IRB number • U.S. Citizen or resident alien: IRS Form W-9
Value over \$100	
Check	<ul style="list-style-type: none"> • I Want Document submitted to service center with IRB number • U.S. Citizen or resident alien: IRS Form W-9
Foreign-Based Study – Foreign National	
Value \$100 or less	
Payment Type	Requirements and Processing
Gift Card Cash Drawing or In-Kind Gifts	<ul style="list-style-type: none"> • Required: Signed receipt or acknowledgement of payment. Keep on file with PI/Office. • Best Practice: Collect full legal name and keep on file with PI/Office.
Check	<ul style="list-style-type: none"> • I Want Document submitted to service center with IRB number • IRS Form W-8BEN
Value over \$100	
Gift Card Cash Drawing or In-Kind Gifts	<ul style="list-style-type: none"> • Required: Signed receipt or acknowledgement of payment. Keep on file with PI/Office. • Best Practice: Collect full legal name and keep on file with PI/Office.
Check	<ul style="list-style-type: none"> • I Want Document submitted to service center with IRB number • IRS Form W-8BEN

Definitions:

Gift card, gift certificate: A gift card is a prepaid debit card that may be used to pay for purchases. The card may be for a specific retailer or it may be issued by a Visa, MasterCard or American Express. Gift cards can be a physical card or an electronic card. A gift certificate is a voucher that is exchangeable for a specified cash value of goods or services for a particular place of business.

Informed Consent Form: Informed consent is the process of telling potential research participants about the key elements of a research study and what their participation will entail, and obtaining participants' agreement to take part in the research. The informed consent process typically includes a written document—the informed consent form.

In-kind payments: Goods or services provided for payment instead of cash or cash equivalent.

IRB Protocol: The IRB protocol is the official record of the human participant research study as reviewed and approved by the IRB. It defines study objectives, research population, planned procedures, data management, and other administrative aspects of the study.

Foreign National: A foreign national is an individual who is a citizen of any country other than the United States. These individuals are treated differently for tax purposes than U.S. tax residents.

Study file: Documentation of the study retained by the PI, including but not limited to research data. Confidential or personally identifiable information included in the study file can only be revealed in conformance to Cornell Policy, approved IRB protocols, relevant informed consent documentation, and applicable law and regulation.

U.S. Tax Resident: a person who is subject to U.S. tax reporting rules. U.S. tax residents include:

- U.S. citizens
- Permanent residents: persons who are allowed to reside indefinitely within a country of which they are not citizens. For tax purposes, permanent residents are subjected to the same rules that apply to U.S. citizens and are taxed on their worldwide income.
- Resident aliens for U.S tax purposes: Defined by the IRS as foreign nationals who satisfy the substantial presence test. These individuals are taxed under the same rules that apply to U.S. citizens and are taxed on their worldwide income.

Visa: An official government document that gives someone permission and establishes conditions to travel into a specific country and stay there for a set period of time.

Paying for Services – Getting Started

A **service** is an activity in which labor is the major factor and not merely incidental to the production, acquisition, and/or delivery of a good. The procurement of services has unique requirements, and the first requirement is an evaluation of whether, based upon guidelines established by the Internal Revenue Services, the individual or entity providing the service should be classified as an employee or an independent contractor (vendor).

The next page contains a flowchart that will enable units to quickly determine whether they must contact another university office for guidance, appoint the service provider as an employee, or perform a service provider evaluation.

When a service provider evaluation is necessary, a questionnaire will be completed by the potential service provider. This [Service Provider Questionnaire](#) will enable the unit to evaluate whether a service provider should be classified as an employee or independent contractor. The [evaluation and classification](#) must be performed **before** engaging an individual or entity to perform services and before any services begin. It must be based upon IRS guidelines, not on administrative ease or relative costs.

♦ **Note:** If the IRS reviews classifications and determines the service provider should have been classified as an employee, any costs associated with misclassification (taxes, interest, penalty) are the responsibility of the unit.

Paying Foreign Nationals

Individuals entering the United States to work at Cornell University have many issues to consider. In an effort to ensure institutional compliance with federal regulations, Cornell's Global Operations unit provides expertise on hiring non-U.S. citizens to work in the U.S. Contact the [Navigate Team](#) within Cornell's Global Operations unit.

Worked Performed Outside of the United States

Work performed overseas can present a range of legal, financial, safety, and logistical considerations that create complications and could add expenses. **This is true regardless of the nationality of the service provider.** Consideration also must be given to whether the arrangement could trigger corporate registration or licensing requirements that may result in additional financial or regulatory obligations in the host country.

Before engaging a service provider to perform services outside of the United States, contact the [Navigate Team](#) within Cornell's Global Operations unit. Select "Ask a Question" from the top menu bar and provide information on the services you require, including location and if known, who will be performing the services.

SERVICE PROVIDER EVALUATION DECISION FLOWCHART

Are you purchasing only goods with no service component?

YES

Stop! This applies only to services.

NO

Is the service provider a non-U.S. citizen and/or are the services being performed outside of the United States?

YES

Stop! Consult the [Navigate Team](#) in Global Operations to identify and resolve country specific issues.

NO

Are the services “specialized,” e.g., real estate, insurance, as described in [Section 201](#)?

YES

Stop! Consult [Section 201](#) and contact the appropriate office for further

NO

Are the services listed in [Section 203](#) as exempt from the Service Provider Evaluation?

YES

Stop! If one of the very limited exceptions defined in [Section 203](#) applies, follow the payment and contract instructions found in [Section 203](#).

NO

Are you paying for catering services and/or event space rental?

YES

Stop! A service provider evaluation is not necessary. See below for more info on Catering and Event Space Rental.

NO

Has the service provider been approved by Procurement Services and signed a university contract? For a listing of preferred and contract suppliers, visit <https://www.dfa.cornell.edu/procurement/supplierlistview>.

YES

Stop! Use the procurement method listed on the [Procurement Services website](#) for the [preferred and contract suppliers](#).

NO

Is the service being performed one for which Procurement Services has developed a specific contract? See the list of Specific Contracts for Services on next page.

YES

Stop! A service provider evaluation is not necessary as the [performer and unique services provider contracts](#) contain a service provider attestation. Refer to the [matrix](#) on the website and select the appropriate contract and payment method.

NO

Is the service provider an individual, sole proprietor, or single-member LLC??

YES

A [Service Provider Evaluation](#) must be performed. Read the general information section on the next page and then proceed to Section 701.

NO

Stop! A service provider evaluation is not necessary. [Select the appropriate consulting agreement](#) and initiate a purchase order.

Note: It is understood that the BSC may not be aware of all facts related to service providers' current or former affiliation with Cornell. Should additional facts become available when the service provider completes the vendor registration, Procurement Services will notify the BSC.

Service Providers – General Information

The following information does not apply to service providers appointed through Payroll.

Insurance

The service provider (vendor) is generally required to provide proof that they meet the university's minimum insurance requirements if the performance of the service could result in liability to the University (i.e., services performed on university property). For information on the university's minimum insurance requirements, see [Section 405, Insurance Requirements](#) topic within this manual. If you are unsure as to whether the intended service provider must provide proof of insurance, contact Risk Management and Insurance.

♦ **Note:** Payment Services (in the SSC Procure-to-Pay department) updates the KFS vendor record for those vendors that are required to provide proof of adequate insurance coverage. You may check the Insurance tab on the vendor record in KFS.

Contracts

A contract must be executed between the service provider (vendor) and the university in order to establish mutually agreed upon terms and conditions of the transaction. The university's purchase order is a legally binding contract that contains [terms and conditions](#) designed to protect the interests of the university.

When procuring services, it is often advisable to include terms beyond those in the [Cornell purchase order's standard terms and conditions](#), such as the scope of work or deliverables, acceptance criteria, identification of who will provide the services, etc. Contracts covering several specific types of services have been drafted by the Office of University Counsel and these documents will be used in conjunction with the purchase order. The contracts, listed below, can be found on the Procurement website at <http://www.dfa.cornell.edu/procurement/tools-forms/forms/contracts>.

Getting Started

1. **If the vendor is international** (i.e., an individual working outside the U.S. or a foreign entity performing work within or outside of the U.S.) see International Consulting Agreements below.
2. Check the [Specific Contracts for One-time Services below](#) to see if there's a contract there that meets your needs. Each of these contracts is geared toward a specific type of service: facility rentals; caterers; performers; photography, graphic design, general services, or language translation.
 1. If a contract is available, complete the contract with the service provider, and submit it through the normal I Want document process.
 2. If you need assistance selecting a contract, contact your BSC.
 3. If a contract doesn't exist, continue with the next steps.
3. **If the vendor is a legal entity** (i.e., corporation, partnership, limited liability partnership, limited liability company):
 1. Select either the [Professional Service or IT Professional Service agreement under Consulting Agreements below](#).
 2. Send the service provider the applicable professional service provider contract.
 3. Send the completed contract and a **robust statement of work** to your business service center (BSC) using an I Want document.
4. If the vendor is an **individual** or if you're **not sure** if they are a legal entity, then complete the Service Provider Evaluation process, which is explained in Section 701.

5. If you are engaging a **current Cornell student** to conduct a workshop or perform a service,
 1. All payments to **Cornell students for services rendered in the U.S.** should be processed as follows:
 1. If the student has an incorporated business with a federal employer identification number, then follow the standard paying for services process and issue a purchase order to the business.
 2. If the student uses their social security number, then process through Payroll as a temporary casual employee.
 2. For **students performing services outside the United States**, contact Global Operations using the Navigate web tool to be sure the payment is allowed. Follow the [International Consulting Agreement](#) process. For tax reporting purposes, please indicate in the business purpose that service will be/was provided outside of U.S.

Specific Contracts for Services (with service provider attestation)

For international service providers (i.e., an individual working outside the U.S. or a foreign entity performing work within or outside of the U.S.), follow the instructions in the [International Consulting Agreements](#) section below and process on a purchase order. If you are engaging a foreign national within the US, if they are on a non-Cornell sponsored visa, you may not engage them without permission from the sponsoring agency.

These contracts are for **specific** kinds of one-time services, whether the services are performed by an individual or a legal entity (i.e., corporation, partnership, limited liability partnership, limited liability company) within the US. If you are engaging a service provider for repeat work over a period of time, please complete the service provider evaluation process and use the appropriate consulting agreement, i.e., independent consultant or professional services agreement.

Because a service provider attestation is included in these specific contracts, the service provider questionnaire and evaluation worksheet are not required. If the service provider indicates that they have been a Cornell employee, student, or student-employee within the past twelve months, contact tax@cornell.edu before proceeding.

- [Addendum for Facility Contract Agreements](#) – use this agreement when utilizing a facility's contract for event space rental. See chart below for details.
- [Caterer contract](#) – for use with caterers. See chart below for details
- [Performer and Service Provider Contract Matrix](#) – This document will help you determine the type of contract, payment method, and insurance requirements needed when hiring entertainers and one-time service providers. Use the agreements below to address tax, liability, ownership, and contract terms and conditions.
- [Performer without Equipment contract](#) -- for use with individual service providers, such as entertainers, DJ's, clowns, small bands.
 - ♦**Caution:** Contracts for major, public, entertainment events held in places such as Bailey Hall and Statler Auditorium must be reviewed by the Office of University Counsel; do not use the standard Performer or Small Services Provider contract.
- [Performer with Equipment contract](#) -- for use with individual service providers, such as entertainers, DJ's, clowns, small bands.
 - ♦**Caution:** Contracts for major, public, entertainment events held in places such as Bailey Hall and Statler Auditorium must be reviewed by the Office of University Counsel; do not use the standard Performer nor Small Services Provider contract.

Buying Manual

Subject: Purchases with Special Procedures: Paying for Services

Title: Paying for Services – Getting Started

Number: 700

Issued: February 9, 2009

Revised: May 14, 2021

- [Service Provider contract](#) – for use with individual service providers, such as massage therapists, henna/face painting, one- or two-day workshops. For consulting services, use the [Independent Consultant Agreement](#).
- [Service Provider contract for Graphic Design or Videography](#) -- for use with individual service providers.
- [Service Provider contract for Writing, Editing, Indexing](#) – for use with individual service providers.
- [Service Provider contract for Photographer, Artist, Illustrator](#) -- for use with individual service providers.
- [Service Provider contract for Language Translation and Interpretation \(including sign language\)](#) – for use with individual service providers
- [Executive Search Firm Agreement Template](#) -- All final search firm agreements must be approved by Human Resources. The authorizing party must retain a copy of this contract. A purchase order is required. In addition, please forward a copy of this agreement, **completed and signed by the contractor and university representatives**, along with all relevant attachments, to Allan Bishop, Division of Human Resources, 337 Pine Tree Road, Ithaca, NY 14850.

Consulting Agreements

Agreements must be complete, initialed by the unit, signed by the service provider/consultant/ contractor, and include a detailed statement of work. A purchase order is required. If possible, discourage changes to the contract language.

- [Independent Contractor/Consultant agreement](#) – for use with *individuals* who have been evaluated and classified as independent contractors; covers such issues as tax and liability. The service provider questionnaire and evaluation worksheet are required. For IT-related services, use the IT Professional Services agreement.
- [Amendment to Independent Contractor/Consultant Agreement](#) – use this to amend the original Independent Contractor/Consultant agreement.
- [Professional Services agreement](#) – for use with business entities; covers such issues as tax and liability.
- [IT Professional Services agreement](#) – for use with business entities or individuals providing information technology and cloud computing services; covers such issues as tax and liability. This language is written specifically for information technology companies that provide hardware, software, web design, or cloud services.
- [Amendment to Professional Services Agreement](#) - use this form to amend the original Professional or IT Professional Services agreements.
- [International Independent Consultant Agreement](#) – for individuals or entities performing work within and outside of the U.S. to address tax, liability, and contract terms and conditions for work performed overseas.
 - Before engaging/hiring short-term consultants, lecturers, data collectors, and others for international assignments, complete the short [Navigate Questionnaire](#). The Navigate team members from Human Resources, the Office of University Counsel, and the University Tax Office will advise you on country-specific issues.
 - Complete the [International Independent Contractor Certification and Attestation \(PDF, 256 KB\)](#). This form must be completed by any individual who provides services in any jurisdiction outside the United States on Cornell's behalf, regardless of nationality or country of residence. All information must be entered completely by the person to perform the services to ensure accuracy and a timely review. The information on this

Buying Manual

Subject: Purchases with Special Procedures: Paying for Services

Title: Paying for Services – Getting Started

Number: 700

Issued: February 9, 2009

Revised: May 14, 2021

form is to be used to determine whether the services and individual comply with the independent contractor guidelines set out by the U.S. IRS and the laws of the country where the services will be performed.

Finally, units with unusual business needs require customized contracts. Such contracts must be reviewed by the Office of University Counsel; therefore, contact Procurement prior to initiating the purchase order. Additional information on contracts can be found in [section 409](#).

Catering and Event Space Rental

Catering occurs when a vendor prepares, sets up, serves or cleans up food on Cornell controlled property, including both facilities owned by Cornell and facilities (event space) that may be rented or leased and only under Cornell's control for the period of the event (i.e., rental of a banquet hall). Catering should not be confused with simple *delivery* where no service is provided on site (i.e., pizza delivery).

Below the contract requirements, deposit and final payment options for catering only, event space rental, catering with event space rental are defined.

Catering Only	Dollar Amount	Contract Requirements	Deposit Options	Final Payment Options
Caterers with a University Contract	Up to \$10,000	The standard catering contract is not needed. Quote/scope of work is required.	A deposit up to 50% of the total, not to exceed \$5,000, may be paid via pcard.	The BSC may make final payment on a pcard. <i>The total payment (sum of deposit and final payment) may not exceed \$10,000.</i>
Caterers with a University Contract	\$10,000 or greater	The standard catering contract is not needed. PO is required. A Quote/scope of work must be attached to the requisition.	After the PO is issued, a deposit up to 50% of the total, not to exceed \$10,000, may be paid via pcard.	Final payment to be made through the PO process.
All Other Caterers	Up to \$10,000	Use Cornell's standard Catering Contract . The BSC director or designee signs the completed contract and returns it to vendor.	After contract is signed, a deposit up to 50% of the total, not to exceed \$5,000, may be paid via pcard.	The BSC may make final payment on a pcard. <i>The total payment (sum of deposit and final payment) may not exceed \$10,000.</i>
All Other Caterers	\$10,000 or Greater	The unit will ask the vendor to complete Cornell's standard Catering Contract . The BSC collects Cornell's Standard Catering Contract (BSC does not sign) and attaches it to the KFS Requisition.	After the PO is issued, a deposit up to 50% of the total, not to exceed \$10,000, may be paid via pcard.	Final payment to be made through the PO process.

Buying Manual

Subject: Purchases with Special Procedures: Paying for Services

Title: Paying for Services – Getting Started

Number: 700

Issued: February 9, 2009

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- ❖ **Caution:** When hosting events in a private residence, you must contact the Department of Risk Management and Insurance prior to the event. It is imperative to ensure that the appropriate vendor insurance and licenses are in place to protect the homeowner from potential liability.

	Dollar Amount	Contract Requirements	Deposit Options	Final Payment Options
Event Space Rental OR Catering with Event Space Rental	Up to \$10,000	In addition to the contract that the vendor has supplied, the unit will ask the vendor to complete Cornell's Addendum for Facility Contract Agreements , and then the BSC Director or designee signs the addendum.	After a vendor contract and addendum are signed, a deposit up to 50% of the total, not to exceed \$5,000, may be paid via pcard.	The BSC may make final payment on a pcard. <i>The total payment (sum of deposit and final payment) may not exceed \$10,000.</i>
Event Space Rental OR Catering with Event Space Rental	\$10,000 or Greater	In addition to the contract that the vendor has supplied, the unit will ask the vendor to complete Cornell's Addendum for Facility Contract Agreements . The BSC <i>collects</i> the addendum and vendor contract (BSC does not sign) and attaches them to a Requisition.	After the PO is issued, a deposit up to 50% of the total, not to exceed \$10,000, may be paid via pcard.	Final payment to be made through the PO process.

For your convenience, the list of caterers with contracts is available on the Procurement website at <https://www.dfa.cornell.edu/procurement/buyers/commodities/hiring-caterers/caterers>.

Joint Venture

The university may enter into a joint venture with an outside entity for the performance of services. These ventures are often complicated. Units must involve Procurement prior to entering into such an agreement.

Sponsored Project Consulting Agreements and Subcontracts

When an individual is performing services that are directly related to the science or scope of a sponsored project, a [Service Provider Evaluation](#) must be completed to determine if the individual is an employee or an independent contractor. If after the evaluation, the service provider is deemed to be an Independent Contractor, a purchase order is required and an Independent Contractor/Consultant Agreement must be completed. Proceed to [Section 701, the Service Provider Evaluation](#).

♦ **Note:** If another organization is performing a substantive portion of the work effort based upon an award made to Cornell, it may be necessary to formalize this relationship through the execution of a subcontract. Such agreements are executed by the Office of Sponsored Programs (OSP). Please see OPS's website at www.osp.cornell.edu/ for further information on subcontracts.

Performing the Service Provider Evaluation

The purpose of the service provider evaluation is to determine whether to appoint a service provider as an independent contractor or as an employee paid through payroll. The IRS asserts that if Cornell exercises control over the service provider, the individual should be appointed as an employee.

There are risks and costs associated with each classification of the service provider. For *employees*, there are the employer's share of FICA tax, employee benefits, workers compensation and other insurance coverage, overtime premiums, etc. For *independent contractors*, there are contract costs as well as potential penalties and interest from the IRS and other regulatory agencies if the agency, during its review, reclassifies the independent contractor as an employee.

The unit engaging the service provider has **primary responsibility** for independent contractor review. The unit may be held financially responsible for any taxes, interest, penalties, judgments, or awards due to misclassification.

To determine whether a service provider is an independent contractor or an employee under common law, you must examine the relationship between the worker and the business. All evidence of control and independence in this relationship should be considered. If Cornell exercises control over the service provider, the individual should be appointed as an employee. The factors that provide evidence of "control" fall into three categories – Behavioral Control, Financial Control, and the Nature of the Relationship itself.

- *Behavioral Control* generally reflects that the organization exercises control over the service provider's activities. If Cornell provides training and/or instructions about how to complete the task, the service provider should generally be classified as an employee. In contrast, independent contractors determine how they will accomplish the task.
- *Financial Control* generally reflects that the service provider is not at risk for financial loss on a contract because the organization provides the equipment, reimburses the business expenses and pays on an hourly basis rather than a negotiated fee for specific deliverables.
- *Relationship Control* generally reflects that the service provider works primarily for the organization and anticipates a continuing relationship. An independent contractor has a broad customer base and is free to work when, for whom, and for as many firms as he/she chooses.

A worksheet is available to assist the unit in completing the evaluation of Behavioral Control, Financial Control and Nature of the Relationship. See the [Service Provider Evaluation Worksheet](#).

Procedure for Performing the Service Provider Evaluation

♦ **Note:** The BSC may assume all or part of the tasks outlined below for the unit. Contact your BSC for their specific procedures.

1. The unit engaging the service provider will send the [Service Provider Questionnaire](#) to the service provider for completion (see the [Forms section](#) of the Procurement Services' Website) and request its return directly to the unit.
2. After receiving the completed [Service Provider Questionnaire](#), the unit will complete Cornell's [Service Provider Evaluation Worksheet](#) to determine whether "control" over the service provider exists, as described on the previous page. Remember to attach both the [Service Provider Questionnaire](#) and the [Service Provider Evaluation Worksheet](#) to the requisition or I Want document. (See the [Forms section](#) of the [Procurement Services' Website](#).)

- ❖ **Caution:** The unit must review the service provider's classification **prior** to entering into an initial contract or renewing a contract. The unit should make its own determination and not rely on another unit's determination.
- 3. If the unit concludes that the service provider should be classified as an *employee*, the unit will request appointment of the individual as an employee through the Office of Human Resources (see your BSC for further instructions).
 - a. The unit may engage the service provider through a temporary employment agency. Contact the Office of [Workforce Recruitment and Retention at mycareer@cornell.edu](mailto:mycareer@cornell.edu) or (607) 255-0056.
- 4. **If the unit concludes that the service provider should be classified as an independent contractor, the unit will:**
 - a. Document the resolution of any conflict of interest and/or commitment identified during IC evaluation process. See the [University Policy 4.14, Conflicts of Interest and Commitment](#) for more information.
 - b. Evaluate the need for insurance. Requirements for insurance coverage are outlined in the [Section 405, Insurance Requirements](#) section of this manual; contact Risk Management and Insurance with questions on insurance requirements. ♦Note: Procurement will contact the service provider and request proof of insurance; contact Procurement to request this assistance.
 - c. Determine the terms of the agreement with the service provider, such as the scope of work or deliverables, acceptance criteria, identification of who will provide the services, etc. These terms are most easily defined through completion of the [Independent Contractor/Consultant Agreement](#) form (see the [Forms section](#) of the Procurement Web site.) Contact Procurement with questions on these terms, which are in addition to the standard terms and conditions of Cornell's purchase order.
 - d. Request the issuance of a purchase order through the BSC and submit to the BSC the [Service Provider Questionnaire](#), the [Service Provider Evaluation Worksheet](#), conflict of interest/commitment resolution (if applicable) and [Independent Contractor/Consultant Agreement](#).
 - ♦ Note: The Service Provider Evaluation Worksheet requires the name, title and signature of the unit-level individual that performed the service provider evaluation.

Other Considerations with Independent Contractors:

Billing and Tax

All business expenses that the unit has agreed to pay must be submitted as a component of the vendor's invoice. Do not process an expense/travel reimbursement for the independent contractor. Do not submit individual expense receipts with the invoice. In accordance with IRS regulations, the university will report all payments to independent contractors totaling \$600 or more during a calendar year on IRS form 1099-NEC.

The independent contractor is responsible for all estimated tax payments and other tax filing requirements; all tax records, including original business receipts; general liability and other insurance coverage for workers who work on his/her contract with Cornell; medical insurance, personal accident insurance, pension plan, or other benefits, whether personal or extended to his/her employees.

Buying Manual

Subject: Purchases with Special Procedures: Paying for Services

Title: Performing the Service Provider Evaluation

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Inquiries by Government Agencies

All inquiries made directly to the unit by a government agency about independent contractors must be directed to the Tax Manager in the University Controller's Office. Do not respond to these inquiries at the unit level.

Responsibilities Related to the Payment for Services

Unit Responsibilities

- Work through the Paying for Services flowchart to determine the appropriate payment method or contract method
- Submit completed service provider questionnaire and evaluation worksheet, if directed in flowchart
- Determine the terms of the agreement with the service provider, such as the scope of work or deliverables, acceptance criteria, identification of who will provide the services, etc.
- Send contract to service provider for review, signature and return to unit for completion
- Review, date, initial or sign the contract as required for the department on the Cornell agreement. Do not sign a vendor or service provider's contract.
- Provide required information (as described above) with the I Want Doc or form required by your BSC

Business Service Center (BSC):

- Understand and communicate policies to faculty, staff, and service providers
- Verify that the service provider evaluation has been performed (where one must be performed, based on the information provided in [section 700](#)) and documented by the unit, prior to requesting payment to the service provider
- Verify that all conflict of interest and conflict of commitment issues have been resolved and documented by the unit
- Ensure that independent contractors meet the university insurance requirements or complete Risk Management's waiver process
- Ensure that contracts are properly executed prior to the performance of services
- Attach the following to the requisition: [Service Provider Questionnaire](#), [Service Provider Evaluation Worksheet](#), and [contract](#) (*Independent Contractor/Consultant Agreement form or Performer or specific Service Provider contract*) to Procurement Services when requesting the purchase order
- Ensure that the procurement of services is undertaken in compliance with the policy and procedures outlined in this manual

Procurement Services:

- Request, review, and maintain Certificates of Insurance for service providers as appropriate (Procurement)
- Update KFS vendor record with certificate of insurance as appropriate (SSC Procure-to-Pay)
- Receive IRS forms, supplier information forms (via manual or automated process) and proof of insurance from vendors (SSC Procure-to-Pay)

Tax Office in the University Controller's Office:

- Provide guidance to units on IRS issues and interpretations

Risk Management and Insurance:

- Negotiate any exceptions to the minimum necessary insurance coverage for independent contractors

U.S. Customs Clearance / Duty Free Entry

Customs Agent

Mohawk Global Logistics has been assigned Power of Attorney to act as Cornell's agent in expediting and clearing shipments entering the United States. The address and contact information are as follows:

Mohawk Global Logistics
PO Box 3065
Syracuse, NY 13220-3065
Web: <http://mohawkglobal.com/>
Phone: 315-455-3003
Fax: 315-455-3032
Email: info@mohawkglobal.com

General Guidelines for US Custom Clearance

1. When a department orders equipment from a foreign source, the following phrases need to be included in the requisition:
"Send equipment in bond for clearance by:
Mohawk Global Logistics
152 Air Cargo Road, Suite 303
Syracuse Hancock International Airport
North Syracuse, NY 13212
Please list "Syracuse, NY" as airport of destination on Airway bill.
2. Generally, small shipments (valued at less than \$1,200) shipped via parcel post from foreign countries can be imported without assistance of a Customs Broker.
3. If a Cornell employee purchases equipment while out of the country, the shipment should be sent to Cornell University, Care of Mohawk Global Logistics to the address above for customs clearance.
4. If equipment is being shipped out of the country on a temporary basis, contact Mohawk Global Logistics prior to shipment for advice on required registration documents. This will preclude duty assessment upon the return of goods (in original state).
5. Mohawk Global Logistics' fee will vary based on the type of import and services required, such as document preparation. In addition, there will be a freight charge from Syracuse to Ithaca.
6. Mohawk Global Logistics' main office is in Syracuse, NY. The company has branches in Rochester and Albany as well.

Duty-Free Entry

Foreign purchases made by Cornell are subject to the payment of government-imposed duty. However, on scientific equipment, for which there is no domestic equivalent, it is possible to have duty charges waived.

The process involved in avoiding duty charges is complex and takes a substantial amount of time to accomplish. Requests must be filed with the **United States Custom Service, ATTN: Disclosure Law Branch, Washington, DC 20229**.

Because of the highly technical nature of the information required, the department should prepare the responses with assistance from the seller of the equipment. The duty-free entry request does not need to be made at the time an order is placed, but it is desirable. The US Customs and Border Protection Form No. ITA-338P is available at <http://ia.ita.doc.gov/sips/appform.html>. When considering the purchase of foreign-made scientific equipment, review the form in advance of placing the equipment order.

Receiving and Inspecting Shipments

It is the responsibility of the person accepting incoming shipments to verify that the goods delivered match the order before signing the delivery slip.

If the goods have been shipped to the wrong department and an order number is included on the shipment, query KFS or call Procurement Services (Procurement) to identify the proper destination. It is the responsibility of the department signing for material to arrange for delivery to the correct department. In most cases, the trucker will deliver to the correct department if shipment has not been removed from the truck or it is a small carton.

Inspection

Inspection of all packages or cartons at time of delivery is essential. Any apparent damage should be noted on the delivery receipt by the carrier's agent along with the agent's signature. If it is necessary to file a claim for damaged goods, the supplier should be notified within 24 hours of delivery. If damage is discovered only after the package has been opened, refer to Receiving Procedure "Concealed Damage" below. After inspecting the packages, all packing lists and bills of lading should be forwarded to the individuals in the department who are responsible for recording receipts.

Freight Claims

Fast and fair settlement of claims on the receipt of damaged goods is of mutual benefit to the University and its suppliers. The BSC should ensure that the required documents are filed within ten (10) working days by the unit and the supplier and/or carrier.

This procedure defines the types of freight claims and explains what must be done in the filing of the claim. In all instances, the supplier must be notified within 24 hours of the discovery of the damage.

Filing Responsibility

The vendor has the responsibility for filing the freight claim if the FOB terms are "Destination". Cornell University has the responsibility for initiating a freight claim only when the FOB terms specify "Shipping Point". For more detailed information on FOB terms see section 803-A. If Cornell has the responsibility for filing the claim, the Unit or BSC will prepare the paperwork and contact the carrier. If the supplier is responsible for filing, then the Unit or BSC will notify the supplier of the damaged, lost, or concealed damaged shipment and request replacement shipment.

Receipt and Inspection of Shipments

This procedure addresses three (3) types of freight claims that might be processed if Cornell has the responsibility for filing the freight claim.

1. **Damage in Transit**

Damage has occurred to the shipment while it was in the possession of the freight carrier. Damage to packages and cartons is usually readily apparent. When the shipment is received, any damage is noted on the freight bill at time of delivery. The User Department notifies the supplier about the damaged shipment within 24 hours. End User/Dept/BSC will contact the carrier and begin the claim process.

2. **Loss in Transit**

If the supplier has shipped the merchandise to Cornell and it has not been delivered after a "reasonable" amount of time, and the carrier is unable to locate the shipment, then the shipment may be lost. The end user/unit must notify the supplier when they have not received a shipment

within a "reasonable" waiting period. After confirming the supplier's shipment date and verifying that the carrier is unable locate the shipment, the End User/Dept/BSC will begin the claim process.

3. Concealed Damage

Merchandise is delivered in apparently good condition and the carrier's bill of lading is signed with no mention of damage. Damage is discovered only after the container is opened within a "reasonable" period. End user/unit must notify the supplier immediately of the damage. The supplier will in turn notify the carrier that a "concealed damage" claim is pending and an inspection is needed. All containers and contents must be kept in a safe place for inspection by the carrier. The carrier will supply an inspection report to accompany the freight claim processed by the End User/Dept/BSC.

Return of Goods to the Vendor

This procedure describes the correct steps to be followed when goods need to be returned to the vendor for credit or replacement.

When defective merchandise is received from a vendor, or the received item(s) are not the item(s) specified on the purchase order, the shipment will be subject to return to the vendor for credit.

Whenever the department needs to return merchandise to a vendor, the department needs to contact the vendor, explain the reasons for returning the merchandise and get a "Return Authorization" number.

The department prepares the shipment for return to the vendor noting the "Return Authorization" number on all paperwork. This number allows the vendor to identify the goods when they are received and to correctly issue a credit.

If a replacement is desired, then the department needs to issue a new requisition/order for the replacement.

Table 1 Freight Terms and Responsibilities

FOB Term	Payment of Freight Charges	Who Bears Freight Costs	Owns Goods in Transit	Who Files Claim (if any)	Explanation
FOB Destination, freight prepaid *	Seller	Seller	Seller	Seller	Title passes to Buyer when goods are delivered. Seller pays and absorbs all freight costs.
FOB Destination, freight prepaid and added to invoice	Seller	Buyer	Seller	Seller	Title passes to Buyer when goods are delivered. Seller pays shipping costs and adds the cost to their invoice.
FOB Destination, freight collect	Buyer	Buyer	Seller	Seller	Title passes to Buyer when goods are delivered. Carrier bills Buyer for the freight costs.
FOB Shipping Point, freight prepaid	Seller	Seller	Buyer	Buyer	Title passes to Buyer at vendor's dock. Seller pays and absorbs all freight costs.
FOB Shipping Point, freight prepaid and added to invoice	Seller	Buyer	Buyer	Buyer	Title passes to Buyer at vendor's dock. Seller pays and absorbs all freight costs.
FOB Shipping Point, freight collect	Buyer	Buyer	Buyer	Buyer	Title and control of goods passes to Buyer when carrier signs for goods at the vendor's location. Carrier bills Buyer directly.

* Cornell's preferred terms

Invoice Payment

This procedure is to explain how an invoice payment is processed for the purchase of goods and/or services. An invoice is the supplier's notification that a charge is pending against the University. The purchase order is the basis on which the supplier is paid for material and services furnished. The invoice is audited against the purchase order (e.g., items, prices, quantities, terms of the purchase order).

Accounts Payable is responsible for monitoring the electronic invoice process and manually entering invoices into KFS. As stated on the purchase order, all vendors not enrolled in electronic invoicing, are instructed to submit invoices with purchase order reference via email to:

Cornell University
Accounts Payable
377 Pine Tree Rd.
Ithaca, NY 14850
Email: dfa-4040_invoice@cornell.edu.

Additionally, the vendor should indicate the purchase order number on the invoice. Invoices received by the end user/unit need to be immediately sent to Accounts Payable at East Hill Office Building, 377 Pine Tree Road or via email to DFA-4040_invoice@cornell.edu.

Invoices are entered into KFS to be processed for payment. Before the invoice is paid, the payment request may require that the *End User/Unit/BSC* verify receipt and/or acceptance of the goods or services or that the Fiscal Officer review the invoice and approve the payment request.

After the invoice is entered in KFS, the invoices are scanned for the *End User/Unit/BSC* to compare to the purchase order. If the payment request (PayReq) requires that a receipt be entered, the *End User/Unit/BSC* can confirm the receipt by entering a note in the Notes and Attachment tab after the invoice is entered.

If the invoice is greater than \$5,000, the ASC/BSC must confirm physical receipt of goods and or services with the unit and document receipt in the PayReq e-doc notes and attachments sections before processing the payment. See the Controller's [Guidelines for Receiving in KFS](#).

The end user/unit/BSC should check their KFS Action List daily to determine if there are any tasks in the queue.

Vendor Relations

Payments of invoices should not be delayed beyond the due dates as determined by the terms of the purchase order, unless Procurement, Accounts Payable, the end user/unit/BSC, and the Supplier are aware of extenuating circumstances that would preclude payment. Failure to pay invoices promptly results in poor vendor relations, lost early payment discounts, interest charges, and potential credit holds.

Buying Manual

Subject: Invoice Processing Procedures

Title: Freight Bills

Number: 805

Issued: February 9, 2009

Revised: May 15, 2020

Freight Bills

Freight bills directly from freight companies are to be sent to the unit/BSC for payment. Payments should be processed via procurement card or disbursement voucher.

Federal Interstate Commerce Commission / Department of Transportation regulations require that all invoices for freight be paid within fifteen (15) days. Failure to comply can result in termination of carrier service or possible court action against Cornell University. It is extremely important that all freight bills be processed promptly.

Buying Manual

Subject: Invoice Processing Procedures

Title: Capital Equipment

Number: 806

Issued: February 9, 2009

Revised: March 1, 2012

Capital Equipment

According to [University Policy 3.9, Capital Assets](#), a capital asset is an item that has a useful life of at least two years and a value of at least \$5,000. Capital assets are permanent, tangible, and held for purposes other than investment or resale. Please refer to the Capital Assets policy for further specifications and definitions.

Resources:

- Accounting Services Web site: <https://www.dfa.cornell.edu/accounting/about/contact>
- Standard Operating Procedures
 - Capital Assets Overview
<https://confluence.cornell.edu/download/attachments/134217922/Cap+Assets+Overview.pdf>
 - Capital Edit tab, Financial Processing
<https://confluence.cornell.edu/download/attachments/134217922/SOP+Capital+Edit+tab+Financial+Processing.pdf>
 - Capital Edit tab, Purchasing
<https://confluence.cornell.edu/download/attachments/134217922/SOP+Capital+Edit+tab+REQS+PCDO.pdf>

Forms

Forms referred to in this manual may be found online at:

- Single/Sole Source Justification Form: <http://www.dfa.cornell.edu/procurement/tools-forms/forms/source-justification>
- Bid Solicitation: <http://www.dfa.cornell.edu/procurement/tools-forms/forms/bid-solicitation>
- Cornell Use of Names, Logos and Artwork on Manufactured Items Form: <https://brand.cornell.edu/>
- New York State Restricted Period Supplier Contact: <https://www.dfa.cornell.edu/procurement/tools-forms/forms/nys-supplier-contact>
- Service Provider Questionnaire: <https://www.dfa.cornell.edu/sites/default/files/service-provider-questionnaire.pdf>
- Service Provider Evaluation Worksheet: <https://www.dfa.cornell.edu/sites/default/files/service-provider-evaluation-worksheet.pdf>

Contracts for Services referred to in this manual may be found online:

Consulting Agreements:

- Independent Contractor/Consultant Agreement Form: <http://www.dfa.cornell.edu/sites/default/files/consultant-agreement.pdf>
- Amendment to Independent Contractor/Consultant Agreement: <http://www.dfa.cornell.edu/sites/default/files/consultant-amendment.pdf>
- Professional Services Agreement: <http://www.dfa.cornell.edu/sites/default/files/prof-services-agrmt.pdf>
- IT Professional Services Agreement: <http://www.dfa.cornell.edu/sites/default/files/it-prof-services-agrmt.pdf>
- Amendment to Professional Services Agreement: <http://www.dfa.cornell.edu/sites/default/files/prof-services-amendment.pdf>

Unique Contracts for Services:

- Facility and Hotel Event Management Addendum for Vendor Contract: <http://www.dfa.cornell.edu/sites/default/files/addendum-facility-contract-agreements.pdf>
- Caterer Contract: <http://www.dfa.cornell.edu/sites/default/files/caterer-contract.pdf>
- Performer and Services Provider Contract Matrix: <http://www.dfa.cornell.edu/sites/default/files/service-provider-matrix.pdf>
- Performer without Equipment Contract: <http://www.dfa.cornell.edu/sites/default/files/performer-no-equipment-contract.pdf>
- Performer with Equipment Contract: <http://www.dfa.cornell.edu/sites/default/files/performer-equipment-contract.pdf>
- Services Provider Contract: <https://www.dfa.cornell.edu/sites/default/files/services-provider-contract.pdf>
- Service Provider Contract for Graphic Design, Videography: <https://www.dfa.cornell.edu/sites/default/files/design-videography-provider-contract.pdf>
- Service Provider Contract for Writing, Editing, Indexing: <https://www.dfa.cornell.edu/sites/default/files/writing-editing-provider-contract.pdf>

Buying Manual

Subject: Quick Reference and Forms

Title: Forms

Number: 900

Issued: February 9, 2009

Revised: February 17, 2021

- Service Provider Contract for Photographer, Artist, Illustrator:
<https://www.dfa.cornell.edu/sites/default/files/photographer-artist-provider-contract.pdf>
- Service Provider Contract for Language Translation and Interpretation (including sign language):
<https://www.dfa.cornell.edu/sites/default/files/translator-provider-contract.pdf>
- Executive Search Firm Agreement Template:
<https://www.dfa.cornell.edu/sites/default/files/search-firm-agreement.doc>

Acronyms that are used throughout the Buying Manual

Acronym	Name
ACH	Automated Clearing House
APO	Automatic purchase order
BSC	Business Service Center
CFO	Chief Financial Officer
DFS	Division of Financial Services
EHS	Environmental Health and Safety
End User/Unit/BSC	End user / Unit / Business Service Center
E&I	Educational & Institutional Cooperative Purchasing
FOB	Free on board
GSA	General Services Administration
ID	Identification
IFB	Invitation for bid
KFS	Kuali Financial System
MMCAP	Minnesota Multistate Contracting Alliance for Pharmacy
PDF	Portable document file
PO	Purchase order
POA	Purchase order amendment
PSA	Preferred Supplier Agreement
REQ(S)	Requisition
RFI	Request for Information
RFQ	Request for Quotation
RFP	Request for Proposal
VP	Vice President

Definitions

Term	Definition
Agreement	See definition of Contract below.
Automatic Purchase Order (APO)	A method of ordering that offers units the option to release orders with a total cost below the bid limit directly to the vendors, when the order has met a predetermined set of criteria.
Bid	A request for competitive quotation or proposal from a qualified vendor for the purpose of issuing a purchase order and contract for the procurement of goods or services.
Bid Specifications	A detailed description of the services, equipment and products describing what is to be accomplished and the level of detail needed for success.
Blocked Vendor	A vendor whose merchant category code has been restricted from use with a university procurement card.
Business Expense	An ordinary, necessary, and reasonable charge for goods or services, whether paid, committed, or accrued, that foster or supports the ongoing missions of the university. These charges may include expenses (expenditures), debt service payments, and capital outlays.
Business Meal	A meal at which a substantive and <i>bona fide</i> business discussion, linked to the university's mission, takes place.
Business Purpose	The way in which a particular good or service supports the university's mission of education, research and public service; this is an essential component of documentation, and should be in language that an external reviewer could easily understand.
Business Service Center (BSC)	Financial transaction processing centers approved by the Vice President for Financial Affairs. See University Policy 4.2, Transaction Authority and Payment Approval , for a list of these centers.
Cardholder, Business Service Center	An individual employed in an BSC who has been authorized to make a procurement card purchase at higher dollar limits than a regular cardholder.
Cardholder, Regular	An individual who has been authorized by his or her unit to use a university procurement card.
Catering	<i>Catering</i> occurs when a vendor prepares, sets up, serves or cleans up food on Cornell controlled property, including both facilities owned by Cornell and facilities that may be rented or leased and only under Cornell's control for the period of the event (i.e., rental of a banquet hall.) Catering should not be confused with simple <i>delivery</i> , where no service is provided on site (i.e., "pizza delivery".)
Competitive Bid	A process used to have more than one vendor provide a price for the same item. The primary purpose of competitive bidding is to insure and demonstrate that funding is being responsibly spent and equal opportunities are being extended.
Concealed Damage	Carton intact, but material damaged.
Conflict of Commitment	A situation in which an employee's additional employment, whether internal or external to the university, interferes with his or her performance in the primary appointment at the university.

Term	Definition
Conflict of Interest	A situation in which an individual or any of his or her family or associates either 1) has an existing or potential financial or other material interest that impairs or might appear to impair the individual's independence and objectivity of judgment in the discharge of responsibilities to the university, or 2) may receive a financial or other material benefit from knowledge of information confidential to the university. Refer to University Policy 4.14, Conflicts of Interest and Commitment .
Contract	A contract is an agreement between two or more parties describing terms and conditions.
Cornell Allowable Expense	A valid and legal business expense for which the use of university funds will be permitted.
Cornell Unallowable Expense	An expense or item for which use of university funds will not be permitted.
Cornell University Vendor	A Cornell unit that sells goods or services.
Default Account	The general ledger account associated with a procurement card that is charged automatically for transactions when a coordinator does not change the account distribution in KFS.
Small Business Administration	A federal program that encourages the engagement of entities that are federally recognized as being "small, disadvantaged business enterprises."
Documentation	Original invoice, copy of cancelled check, original credit card receipt when applicable, and other documentation that describes and substantiates a business transaction.
Emergency Situation	The occurrence of an unanticipated and sudden situation that is life threatening, catastrophic in nature, or involves pressing necessity for immediate repairs, reconstruction, or maintenance in order to permit the safe continuation of a necessary use or function, or to protect the property or the life, health, or safety of any person.
Employee	A person appointed through the Office of Human Resources and paid through payroll to perform services for the university. The university controls and directs the service provider's activities.
e-Procurement	The use of electronic systems to purchase goods, works and services and to process payments from third parties. Cornell's e-procurement system is named e-SHOP.
e-SHOP	Cornell's branded e-procurement system, which allows the units to procure goods and services from a wide variety of pre-selected suppliers through the KFS main menu Shop Catalogs
FOB (Free on Board)	The point of delivery where title of goods transfers from the vendor to Cornell University.
Family Member	A spouse, sibling, parent, grandparent, ancestor, child, or grandchild, or any of their respective spouses.
Financial Institution	The bank issuing procurement cards to Cornell University.

Term	Definition
Foreign National	An individual who is not a citizen of the United States and does not have a permanent resident status or an entity that does not have a place of business or an office in the United States.
Goods	Tangible property for sale, lease, or rental (also known as merchandise, or commodity.)
Honorarium	A payment made in appreciation, primarily intended to confer distinction or to symbolize respect, which is not required by law, and is not a fee charged by the recipient.
Human Participant Fees	A payment to a participant in a study conducted by a Cornell faculty, staff or student; (includes fees for research subjects, survey participants, etc.)
Inactive Procurement Card	A procurement card account that has not been used in the preceding 12 months.
Independent Contractor	An individual or entity engaged to perform services and commonly referred to as a consultant, freelancer, contractor, etc. The service provider is responsible for the means and methods for completing the job based on specifications in the contract. The service provider is not supervised or controlled by Cornell employees.
IRS Form 1099 MISC	A form used to report to the IRS and the taxpayer various types of payment including non-employee compensation to independent contractors.
Joint Venture	An agreement between Cornell University and another organization to exchange resources, share risks, or divide rewards from a combined enterprise.
Journal	Internal transfer of funds between general ledger accounts.
Memorandum of Understanding (MOU) for Spend Delegation	An informal, written record containing the terms of a transaction or agreement signed between Procurement Services and one or more other unit(s) of Cornell University.
Ordinary, Necessary and Reasonable Expense	An expense is ordinary if it is normal and customary. An expense is necessary if it is appropriate and helpful to the business. An expense is reasonable if a prudent person would incur the expense in similar circumstances.
Payment Approval	Authority to process a payment from a university account, and to certify that appropriate funds are available. Note: payment approval does not constitute transaction authority. See University Policy 4.2, Transaction Authority and Payment Approval .
Personal Expense	Any expense for a good or service that does not qualify as a business expense.
Preferred Supplier	A supplier with which Procurement Services has competitively bid and implemented a university-wide agreement, and that Procurement Services endorses as the "best overall value" in providing products, services, delivery, and customer service.
Procurement Agent/ Contract Manager	An individual who is part of a procurement organization at Cornell and has been given transaction authority by the head of the procurement function to negotiate, authorize, and execute contracts on behalf of Cornell University. Examples include, but are not limited to, Cornell Store buyers and Office of Sponsored Programs (OSP) grant and contract officers.

Term	Definition
Procurement Card (pcard)	A credit card issued by a financial institution to Cornell University to make purchases directly from vendors. The individual named on the card is authorized to make certain business purchases on behalf of Cornell University, and the bill is paid directly by the university.
Procurement Card Coordinator	The individual within your BSC with knowledge of appropriate financial, purchasing, and accounting policies, who has specific responsibilities, as defined in this policy, and overall responsibility for the unit's pcard program.
Prohibited Transaction	Any good or service listed in the Procurement Card section of this manual (including Personal Expenses and Cornell Unallowable), and split transactions, that may not be paid for via pcard.
Purchase Order (PO)	A legally binding contract for purchase between the university and the vendor.
Recurring Order	A purchase order for a defined period of time, frequently used for repetitive purchases, with a "not to exceed" dollar amount specified.
RFI (Request for Information)	A solicitation for information about a service or product; used when a clearly defined scope of work or specification is not available.
RFP (Request for Proposal)	A solicitation used to acquire goods and/or services when a clearly defined scope of work or specification is available.
RFQ (Request for Quotation)	A solicitation for a price for a specific item or service.
Receipt	A written acknowledgment that something has been received, which, generally, details the date of purchase, vendor name and address, description of goods and services, quantity, unit price, and total of expenditures.
Revocation of Card	The cancellation of a procurement card.
Risk Management and Insurance	A department responsible for procuring all institutional insurance, processing claims where applicable, establishing appropriate levels of insurance for suppliers (especially those working on campus).
Scope of work	A detailed description of the product or service being requested.
Service Provider	An individual or entity engaged to perform a service.
Service Recipient	The unit of Cornell University receiving services.
Service	An activity in which labor is the major factor and not merely incidental to the production, acquisition, and/or delivery of a good. Examples of services include hay delivery, catering, equipment repair, and web site design.
Single Source/Sole Source	Where competition may not be feasible due to the single source/sole source nature of a commodity or a particular specification.
Spend	An act of using funds to purchase goods or services, or the funds spent by a unit through its procurement processes.
Split Transaction	Multiple payments for a single item (whether a good or service) to evade the maximum pcard per-transaction limit or bidding threshold requirements.
Sponsored Project	A signed award (grant, contract, or cooperative agreement) under which the university agrees to perform a certain scope of work for an external sponsor.

Term	Definition
Sponsored Project Consulting Agreement	A written agreement between the university and an independent contractor to provide highly specialized professional services directly related to the science and or scope of the sponsored project. A Sponsored Project Consulting Agreement is usually for a relatively short duration (less than one year).
Subcontract	A written agreement between Cornell University and a third party, often issued under a sponsored project, to procure "substantive programmatic effort." A subcontract generally involves services over a relatively long period (one year or more).
Subcontractor	An individual, business, or other third party engaged, often under a sponsored project agreement, to provide services that contribute "substantive programmatic effort" to the project.
Sufficient Documentary Evidence	Information and documentation that, when taken as a whole, substantiates an expense and its business purpose. Sufficient documentation should include who, what, when, where, why, and how much.
Supervisor	The individual with primary responsibility for the regular and customary supervision of individual positions. Generally, the supervisory duties include hiring, salary, discipline, performance evaluation, and work assignment decisions.
Supplier	See definition of Vendor below.
Suspension of Card	Removal of the procurement card holder's privilege to use the pcard for a specific period of time.
Terms and Conditions	Stand-alone clauses that define the understanding between Cornell University and the vendor.
Transaction	Any event that involves an exchange of funds between two parties. Examples are paying a bill to a vendor, collecting a fee from a student, and making an interdepartmental charge. Also, a single debit or credit to a procurement card.
Transaction Authority	The authority to administer, approve, and execute transactions or agreements with external parties that commit the university. See University Policy 4.2, Transaction Authority and Payment Approval .
Unit	A college, department, program, research center, financial transaction center, business service center, or other operating unit.
University Funds	All funds received from internal or external sources and owned by the university, which carry with them fiduciary responsibilities. This includes, but is not limited to, discretionary funds, funds from salary recovery, restricted gifts, tuition paid by students, and funds from other sources.
UNSPSC	United Nations Standard Products and Services Code are 8-digit numeric classification codes that describe individual products and services.
Vendor	An individual or organization that provides specified and agreed upon goods and/or services to the university. May be used interchangeably with "supplier."
W-9	An IRS form used to request taxpayer identification number.

Contacts

Subject	Contact	Telephone	URL/Email
Audit Services	University Audit Office	(607) 255-9300	audit@cornell.edu http://audit.cornell.edu
Capital Assets	Cost and Capital Assets	(607) 255-9368	uco-capasset@cornell.edu
Contract Interpretation	Office of the University Counsel	(607) 255-5124	Counsel-web@cornell.edu http://counsel.cornell.edu/
Cornell Name and Logo, Use of	Division of University Communications	(607) 255-9929	www.sao.cornell.edu/SO/logo.php
Emergency Order	Procurement Services	(607) 255-3804	http://procurement.cornell.edu/ procure.support@cornell.edu
Employment Services	Office of Human Resources	(607) 254-8370	www.ohr.cornell.edu/hr/organization/rec/index.html employment_svcs-mailbox@cornell.edu
Health and Safety Concerns	Environmental Health and Safety	(607) 255-8200	dehs@cornell.edu www.ehs.cornell.edu
Independent Contractor - Initial Inquiries/General Questions	Unit HR Representative/ Financial Administrator	Unit-specific	
Independent Contractor vs. Employee, Classification of	Office of Tax Compliance	(607) 254-4670	tax@cornell.edu
Independent Contractor, Insurance Questions	Risk Management and Insurance Procurement Services	(607) 254-1575 (607) 255-3804	http://procurement.cornell.edu/ procure.support@cornell.edu
IRS or Other Taxing Agencies, Inquiries from	Office of Tax Compliance	(607) 254-4670	tax@cornell.edu
Legal Services	Office of the University Counsel	(607) 255-5124	Counsel-web@cornell.edu http://counsel.cornell.edu/
New York State Funds, Procurement	Procurement Services	(607) 255-3804	http://procurement.cornell.edu/

Buying Manual

Subject: Quick Reference and Forms

Title: Definitions and Contacts

Number: 903

Issued: June 10, 2009

Revised: February 2, 2022

Subject	Contact	Telephone	URL/Email
			procure.support@cornell.edu
Payment Processing	Accounts Payable	(607) 255-0867 (607) 255-0869	uco-accts-pay@cornell.edu
Disbursement Voucher	Disbursement Review	(607) 255-8179 (607) 255-0871	www.payments.cornell.edu/ drat@cornell.edu
Real Estate Services/Procurement of Real Estate	Real Estate Department	(607) 266-7866	www.re.cornell.edu
Services, Contracting for (General/First Inquiries)	Procurement Services	(607) 255-3804	http://procurement.cornell.edu/ procure.support@cornell.edu
Small Business Liaison	Procurement Services	(607) 255-3804	http://procurement.cornell.edu/ procure.support@cornell.edu
Sponsored Programs, Consulting Agreements and Subcontracts	Office of Sponsored Programs	(607) 255-5014	cu_subawds@cornell.edu
Tax Reporting, Independent Contractor	University Tax Office	(607) 254-4670	tax@cornell.edu
Transaction Authority	Division of Financial Services	(607) 255-4242	www.dfa.cornell.edu
Travel Services, Procurement of	Procurement Services	(607) 255-3804	www.travel.cornell.edu/ procure.support@cornell.edu
Treasury and Banking Services, Procurement of	Office of the Treasurer	(607) 254-1590	www.treasury.cornell.edu
Unauthorized Purchases	Procurement Services	(607) 255-3804	http://procurement.cornell.edu/ procure.support@cornell.edu

INDEX

1099 MISC 135
Access to KFS 62
Accounts Payable 139
ACH..... 13, 62, 106, 132
Advertising 15
Agreement..... 37, 122, 123, 131, 133
Airfare..... 20, 42
Ambulance services 15
Amtrak 20
Animals 3, 30
Approval 2, 13, 64, 90
APPS..... 49, 62, 90, 128, 134
APPS System Instructions .. 49, 62, 90, 128, 134
Architectural Services 13
Artist..... 81, 118
Artwork..... 3, 102, 105, 131
Association for the Assessment and
Accreditation of Laboratory Animal Care
International 94
Athletic Event Official 15
Award 15
Banking 139
Behavioral Control..... 121
Benefits Services 13
Bid 2, 66, 68, 69, 133
Bid Limits 62
Bid Requirements..... 66, 68
Bid Solicitations 66
Bid Specifications 133
Bid Thresholds 66
Bid, Competitive 133
Bid, Exemptions 67
Bid, Request for Information 69, 136
Bid, Request for Proposal 68, 136
Bid, Solicitation..... 2
Billing..... 122
Blanket Order 136
Books 17
Bus 20, 42
business expense 5, 6, 14, 17, 134, 135
Business Expense 2, 5, 6, 14, 16, 20, 28, 31, 47,
133, 134, 135
Business Meal 133
Business Purpose 133
Business Service Center..... 48, 123, 133
Business Travel..... 2, 20, 30
Cancellations 65
Capital Assets 30, 87, 130, 138
Capital Equipment..... 3, 130
Capital Project..... 13
Catering..... 30, 43, 44, 68, 118, 133
CERCLA..... 96

Code of Ethics..... 8
Concealed Damage 125, 126, 133
Conference 20, 33
Conflict 7, 31, 133, 134
Conflict of Commitment 133
Conflict of Interest..... 7, 31, 134
Construction..... 13
Construction Contracts 13
Consulting 139
Consulting Agreements 118, 120, 139
Contacts..... 3, 138
contract ... 5, 9, 13, 15, 16, 17, 18, 20, 21, 30, 32,
36, 41, 42, 43, 44, 45, 46, 49, 53, 62, 63, 68,
69, 75, 76, 77, 80, 81, 97, 103, 106, 108, 117,
118, 121, 122, 123, 131, 133, 134, 135, 136
Contract 2, 13, 80, 117, 133, 134, 138
Contract Review 80
Contract suppliers 9
Contracts for Services 3, 81, 117, 131
Cornell Asset Transfer System 87
Cornell Logo..... 102, 112
Cornell Name 3, 138
Cornell Sustainable Campus 2, 86
Cornell University Press 3, 106
corporate travel card 20, 29, 43, 52, 53, 54
Creating a Purchase Order 2
Debt 82
Decision Flow Chart..... 121
Decision Flowchart..... 12
Default Account..... 134
department charge 11
Deposits 31
Direct Payment, Architectural & Engineering
Services 13
Direct Payment, Construction Contracts 13
Direct Payment, Energy and energy related
financial instruments..... 13
Direct Payment, Insurance 13, 31, 74, 75, 77,
117, 122, 123, 138
Direct Payment, Investments..... 13
Direct Payment, Legal services 13
Direct Payment, Real estate 13
Direct Payment, Treasury services/Debt/Banking
..... 13
disbursement voucher 5, 10, 11, 13, 21, 106, 129
Disbursement Voucher . 2, 11, 13, 15, 19, 20, 22,
24, 26, 41
Disposal 3, 101
Diverse 2, 9, 67, 85
Diverse suppliers 9
Documentation 2, 47, 134
domestic..... 22, 23, 27, 124

Buying Manual

Subject: Quick Reference and Forms

Title: Index

Number: 904

Issued: June 10, 2009

Revised: May 10, 2016

Domestic	22, 23, 24, 42
Donations	15
Drug Enforcement Administration	93
Dues	15
Editing	81, 117, 131
EHS	90, 92
Emergency Order	68, 90, 138
Emergency Situation	134
Employee	134, 138
Employees	2, 7, 8, 19, 20
employment agencies	18
Employment Services	138
Energy	3, 13, 97
Energy Procurement	3, 97
Energy Star	78, 79
Engineering Services	30
Entertainment	8, 16, 123
Entry Permits	3, 89
Environmental Health and Safety (see also EHS)	90, 92, 95, 96, 138
EPEAT	78
e-Procurement (see also e-SHOP)	134
Equipment	3, 90, 101
e-SHOP .. 2, 5, 10, 15, 21, 31, 62, 63, 64, 65, 70, 71, 72, 78, 90, 134	
e-SHOP (see also e-Procurement) .. 5, 11, 14, 28, 31, 70, 71, 134	
Ethyl Alcohol	3, 88
Event Space Rental	43, 44, 68
Executed Contract, Athletic Event Official	15
Executed Contract, Entertainment	8, 123
Executed Contract, Translator	18
Export Controls	3, 107
Family Member	134
Fellowship	17
Film rental	16
Financial Control	121
Financial Institution	134
FOB (see also Terms and Conditions)	3, 125, 127
Food for Resale	16
foreign .. 18, 19, 22, 23, 24, 25, 27, 45, 107, 124	
Foreign	22, 23, 24, 26, 107, 124, 135
Foreign National	135
Forest Stewardship Council	78
Forms	3, 37, 121, 122, 131
Free on Board (see also FOB)	134
Freight Bills	3, 16, 129
Freight Claims	3, 125
Fume Hoods	3, 92
Gift	16
Gifts	7, 8, 31
Goods	2, 4, 5, 8, 11, 31, 127, 135
Graphic Design	81, 117, 131
Graphics Procurement	112

Green Seal	78
Guest Lecturer	16
Health and Safety	95, 132, 138
Herbert F. Johnson Museum of Art	3, 105
Honoraria	16
Honorarium	135
Human Participant Fees	16, 135
Human Resources Recruiting Services	68
Illustrator	81, 118
Inactive Procurement Card	135
Independent Consultant	131
independent contractor	15, 44, 115, 120, 121, 122, 136
Independent Contractor	121
Independent Contractor (see also Independent Consultant)	122, 123, 135, 138, 139
Independent Contractor/Consultant agreement	118
Inspection of Shipments	125
Insurance Requirements .. 2, 13, 31, 74, 75, 77, 117, 122, 123, 138	
Insurance Requirements, Automobile	75
Insurance Requirements, Comprehensive	75
Insurance Requirements, Statutory Workman's Compensation	75
Internal Borrowing	2, 84
Investments	13
Invoice Payment	3, 128
Invoice Processing	3, 128
IRS Form	23, 24, 106, 135
Item Receiving	64
Joint Venture	120, 135
Journal	135
Lab Animals	94
Laminar Flow	3, 92
Lease	82, 83
Lease, Internal	82
Lease, External	82
Legal and Ethical Conduct	7, 8
Legal Services	31, 138
License	17
Life Cycle Cost Analysis	78
Limousine	42
Liquor for Resale	16
Local	9, 67
Local suppliers	9
Lodging	20, 42
Logo Approval	112
Lost or Stolen Cards	54
Magazines	17
Meals	33
Medical Services	31
Memberships	15
Memorandum of Understanding	11
MOU	11, 67

MOU (see also Memorandum of Understanding)	67, 135
Narcotics	3, 93
New York State Appropriated	103
New York State Appropriated Funds	103
New York State Contracts	67
New York State Preferred Sources	103
NFPA	96
Non-taxable Payments, Petty Cash	
Replenishment	17
Non-taxable Payments, Postage	17
Non-taxable Payments, Refunds	17
Non-taxable Payments, Taxes	18
Novelty	112
OMB Circular	104
Partial Payments	31
<i>Paying for Purchase Orders</i>	65
Payment	2, 3, 11, 13, 15, 18, 19, 20, 42, 43, 53, 62, 73, 123, 127, 133, 135, 137, 139
Payment Approval	13, 133, 135, 137
Payment Method	2
Payment Methods, Checks	19
Payment Methods, Direct Pay	2, 13, 15, 19, 20
Payment Methods, Reimbursement	17, 20
Payment Request System	13, 139
pcard	5, 10, 11, 14, 15, 16, 17, 18, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 41, 42, 43, 44, 45, 47, 48, 49, 50, 58, 59, 71, 135, 136, 137
PCard	28, 34, 35, 37, 41, 45, 47, 49
pcard (see also Procurement Card)	2, 14, 34, 35, 37, 38, 48, 49, 50, 59, 135, 136
pcard, Account Closure	38, 50, 59
pcard, Blocked Vendor	133
pcard, Cardholder	37, 46, 47, 133
pcard, Documentation	2, 47, 134
pcard, Eligibility	2, 29
pcard, Inactive	135
pcard, Lost	37, 38, 59
pcard, Prohibited Transactions	2, 14, 29, 30, 47
pcard, Revocation	136
pcard, Split Transaction	136
pcard, Stolen	37, 38, 59
pcard, Suspension of Card	137
pcard, Threshold	29
Performer	17, 81, 117, 123, 131
Periodical	17
Permission Fees	18
Permit	17
Personal Expense	32, 135, 136
Pest Control	32
Petty Cash	17, 22, 25, 26, 27
Photographer	81, 118
PO	2, 5, 10, 11, 22, 23, 25, 26, 27, 41, 62, 63, 64, 65, 132, 136
<i>PO Amendments</i>	64, 65

Poison Inhalation Hazards	3, 96
Postage	17
<i>preferred supplier</i>	5, 9, 10, 67, 82
Preferred Supplier	5, 32, 67, 135
Preferred Supplier Agreements	67
Preferred suppliers	9
procurement card	5, 11, 14, 15, 16, 17, 18, 20, 28, 29, 30, 31, 32, 33, 34, 36, 37, 38, 41, 47, 48, 49, 50, 59, 90, 133, 134, 135, 136, 137
Procurement Card (see also pcard)	2, 14, 34, 35, 37, 38, 48, 49, 50, 59, 135, 136
Procurement Gateway	21
Procurement Wizard	21
Procurment Card Coordinator	49, 136
Professional Organizations	15
Professional Services agreement	118
Progress Payments	64
Prohibited Transactions	2, 14, 29, 30, 47
Proof of Insurance	74
Public Utilities	17
purchase order	5, 10, 11, 14, 15, 18, 19, 22, 26, 27, 28, 41, 43, 44, 45, 62, 64, 65, 68, 69, 71, 81, 83, 104, 105, 106, 117, 118, 120, 128, 132
Purchase Order	2, 5, 11, 13, 14, 20, 22, 25, 26, 28, 29, 41, 47, 62, 64, 65, 73, 76, 77, 90, 105, 122, 123, 126, 128, 133, 136
Purchase Order Process	2, 29, 47, 67
Purchase Order Types	68, 90, 133, 136, 138
Purchasing Agent	10, 62, 67, 68, 69, 77, 80, 81, 90, 135
R5 Operations	87
Radiation Safety	32, 90
Radioactive Materials	3, 32, 90
Real Estate	13, 32, 139
receipt	28, 34, 35, 37, 43, 47, 49, 58, 64, 125, 128, 134
Receipt	136
Receiving	3, 125
Receiving, Concealed Damage	125, 126, 133
Receiving, Damage in Transit	125
Receiving, Inspecting Shipments	3, 125
Receiving, Loss in Transit	125
Receiving, Return of Goods to the Vendor	126
Receiving, U.S. Customs Clearance	3, 124
Recycled Products	67
Recycling	3, 101
Refund	19, 22, 25, 26, 27
Refunds	17
Registration	18
Reimbursement	17, 18, 19, 20, 25, 26, 27
Rental Cars	20
Request for Information (see also RFI)	69, 136
Request for Proposal (see also RFP)	68, 136
Request for Quotation	68, 136

Requirements for Initialing and Signing

Contracts	81
Respiratory and Hearing Protection	3, 95
Responsibilities 2, 3, 20, 27, 47, 53, 62, 69, 80, 107, 108, 110, 123	
Restaurant	44
Restaurants	18
RFI (see also Request for Information)	68, 136
RFP (see also Request for Proposal)	67, 68, 69, 136
RFQ (see also Request for Quote)	68, 136
Risk Management .. 13, 31, 74, 77, 80, 117, 122, 123, 136, 138	
Royalties	18
Search Firm Agreement	118, 131
Security Systems	32
Service 2, 3, 4, 5, 8, 9, 10, 11, 13, 20, 30, 31, 32, 47, 62, 66, 68, 76, 100, 112, 115, 117, 120, 121, 122, 123, 124, 131, 135, 136, 138, 139	
service provider 15, 18, 19, 32, 45, 46, 68, 74, 106, 115, 117, 120, 121, 122, 123, 134, 135	
Service Provider 3, 115, 117, 121, 122, 123, 131, 136	
Service Provider attestation	117
Service Provider Evaluation	3, 121, 131
Service Provider Evaluation Worksheet ...	121, 122, 123, 131
Service Provider Questionnaire .	121, 122, 131
Service Recipient	136
Shipping	3, 125, 127
Shipping, Duty Free Entry	3, 124
Shipping, Free on Board	3, 125, 127
Sign Program	100
Signs	3, 100
Single Source	67, 69, 136
Single Source/Sole Source	67
Small Business	67, 85, 134, 139
Small Disadvantaged Business	85
Small Services Provider contract	117, 123
Software	3, 110
Sole Source	67, 69, 131, 136
Solicitation	2
Speaker	16
Special Procedures	3, 5, 30, 62, 76
Special Procedures, Energy Procurement ...	3, 97
Special Procedures, Entry Permits	3, 89
Special Procedures, Ethyl Alcohol	3, 88
Special Procedures, Fume Hoods	3, 92
Special Procedures, Lab Animals	94
Special Procedures, Laminar Flow	3, 92
Special Procedures, Narcotics	3, 93
Special Procedures, Poison Inhalation Hazards	3, 96
Special Procedures, Radiation Safety	32, 90

Special Procedures, Radioactive Materials 3, 32, 90	
Special Procedures, Recycling	3, 101
Special Procedures, Respiratory and Hearing Protection	3, 95
Special Procedures, Signs	3, 100
Special Procedures, Subcontractor	137
Special Procedures, Use of Cornell Logo, Name & Insignia	3, 102, 112, 138
Specialized Services	13
Spend	135, 136
Spend Viz	5, 21
Sponsored Funds	3, 42, 104
Sponsored Programs .. 13, 73, 74, 104, 107, 109, 120, 135, 139	
Sponsored Project	120, 136
Sponsored Project Consulting	120, 136
State Contract	67, 103
Students	15, 19
Subcontract	137
Subscriptions	17
Sufficient Documentary Evidence	137
Supervisor	50, 137
Supplier	7, 32, 66, 73, 123, 128, 137
Supplier Diversity	2
supplier utilization hierarchy	5, 9
Surplus Program	3, 87
Sustainable Forestry Initiative	78
Sustainable Purchasing	2, 78
Tax	13, 18, 122, 123, 138, 139
Taxable Payments, Award	15
Taxable Payments, Gift	16
Taxable Payments, Honoraria	16
Taxable Payments, Human Participant Fees .	16, 135
Taxable Payments, Prize	17
Taxable Payments, Royalties/Permission Fees	18
taxi	33, 42
terms and conditions	9, 14, 28, 42, 44, 45, 62, 65, 73, 77, 80, 104, 106, 117, 122, 134
Terms and Conditions	2, 73, 137
Terms and Conditions, Shipping	3, 125, 127
Train	42
Transaction .. 13, 70, 73, 133, 135, 136, 137, 139	
Transaction Authority .	13, 73, 133, 135, 137, 139
Translator	18
Travel	2, 18, 20, 30, 33, 41, 42, 43, 52, 139
Travel-Related Expenses	33
Treasury Service	13
Types of Purchase Orders	62
Unauthorized Purchase	2, 139
University Funds	137
University Policy 3.14, Business Expenses	31

Buying Manual

Subject: Quick Reference and Forms

Title: Index

Number: 904

Issued: June 10, 2009

Revised: May 10, 2016

University Policy 3.25, Procurement of Goods
and Services 1, 2, 4, 8, 9, 11
University Policy 4.2, Transaction Authority and
Payment Approval 13, 15, 73, 133, 135
**University Policy 4.6, Standards of Ethical
Conduct** 7
Vehicle Rental 33
Vendor 2, 5, 9, 19, 21, 22, 23, 24, 25, 27, 30, 31,
62, 64, 68, 71, 74, 75, 76, 81, 128, 131, 134,
137

Vendor Relations 128
Vendor Selection..... 2, 5, 9
Videography 81, 117, 131
Visual Identity..... 112
W-8 23, 24, 26, 27
W-9 23, 24, 25, 27, 106, 137
Web Design 81, 117, 131
Workman's Compensation..... 75
Writing 81