Welcome

Administrative Procedure Overviews:

Contract Management
Presenters: Carter Cook, Legal Counsel, & Johnny Trevino, Contracts Administrator

Spend Authority
Presenter: Allison Belton, Director, Accounts Payable

3rd Quarter FY19 Closing Process
Presenter: Marnie Matthews, AVP, University Controller

Invoice and Expense Transaction Status and Reporting
Presenters: Allison Belton, Director, Accounts Payable & Valarie Waddell, Assistant Director, Reports and Analytics
Contract Management and Spend Authority Procedures

Allison Belton, Director of Accounts Payable
Carter Cook, Legal Counsel
Johnny Trevino, Contracts Administrator
Longstanding Board policies on contracts were not widely known, and were often confused with a 2005 University Authorization Approval Level chart.

Auditors sought clarity in contract management process.

October 2017: Board adopts new Contract Management Policy

March 2019: New procedures will take effect to implement the Contract Management Policy
DEFINITIONS

“Contract Authority” refers to the authority granted to an individual to execute a written contract with a third party on behalf of Wake Forest University. These individuals have the authority to enter, execute or bind Wake Forest University into contracts with third parties.

“Expenditure/Spend Authority” refers to the authority granted to an individual to approve and/or request payment from Accounts Payable for a Wake Forest University obligation in connection with the authorized procurement of goods or services.

IMPORTANT NOTE: An individual authorized under the Spend Authority Administrative Procedure to request payment of goods and services will not necessarily be the same individual who is authorized by the Contract Management Administrative Procedure to sign, execute or bind Wake Forest University by a contract with a third party.
Purposes:

• Serves to implement the Contract Management Policy
• Establishes process regarding the oversight, review, execution, and storage of written agreements intended to create legally binding obligations of the University.
• Expands and provides clarity as to which staff and faculty positions can sign or execute contracts and at what dollar level.

IMPORTANT NOTE: Students are not authorized to enter into contracts on behalf of Wake Forest University.
1. Contract Monitor (Initiator) should submit contract, in Word or other editable format, to contracts@wfu.edu.
2. Contracts Administrator will review, provide revisions, and assist in negotiation.
3. As necessary, Contracts Administrator will involve departments such as I.S., Legal, Finance, etc. for input;
4. Contracts Administrator will work with Contract Monitor to route finalized contract for signature.
5. If contract requires a payment, Contract Monitor should submit requisition into Workday.
6. Contract Monitor should ensure that a copy of the fully executed contract is sent Contracts Administrator to be stored in a central repository.

IMPORTANT NOTE: Contracts $10K or above must be in writing and signed by both Wake Forest University and third party.
The initiating business unit or department, acting through a Contract Monitor, engages the Procurement Services Department and follows applicable procurement policies and procedures.

Unless the contract meets an exemption noted in Exhibit B of the Procedure, the Contract Monitor submits the contract to the Contracts Administrator by e-mailing a Word version to contracts@wfu.edu with a completed contract intake form, as found in Exhibit C to the Procedure.

The Contracts Administrator reviews the contract and determines if additional review of the contract is needed. If no further review is needed, the process will skip to step 5. If additional review is needed, step 4 follows.

If the Contracts Administrator determines that additional department(s) need to review the contract, it will be circulated to the appropriate department(s). For example, Risk Management, Legal, and/or IS may need to be involved, depending on the nature and value of the contract.

The Contracts Administrator will assist the Contract Monitor as needed to have the contract signed by the third party and by an individual identified in Exhibit A of the Procedure as having contract authority to bind Wake Forest to the agreement.

The Contracts Administrator saves an electronic version of the fully executed contract in the contract repository. The Contract Monitor retains the original for the business unit or department.

The Contract Monitor ensures that goods and/or services are delivered according to contract terms, outgoing payments are supported and validated before being made, and contract dates or milestones are addressed in a timely manner.

Updated 2/28/19
Category 1 (Section 3.b. of Contract Management Policy)
The President and the Executive Vice President can enter into contracts in the ordinary course of business in any amount.

Category 2 (Section 3.c.i. of the Policy)
The President can delegate – to anyone – the authority to enter into contracts in the ordinary course of business, in an amount to be determined by the President.

Category 3 (Section 3.c.ii. of the Policy)
The Provost, the Director of Athletics, and any VP or Dean from Category 2 can delegate authority to one person each.
### Category 2 Authority

(See Exhibit A of Procedure)

<table>
<thead>
<tr>
<th>Title</th>
<th>Authority Limit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provost</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>Director of Athletics</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>Director, Office of Research and Sponsored Programs</td>
<td>$750,000</td>
</tr>
<tr>
<td>(for sponsored research and grant agreements)</td>
<td></td>
</tr>
<tr>
<td>Vice President of Innovation and Career Development</td>
<td>$500,000</td>
</tr>
<tr>
<td>Senior Vice President &amp; General Counsel</td>
<td>$500,000</td>
</tr>
<tr>
<td>Vice President for Campus Life</td>
<td>$500,000</td>
</tr>
<tr>
<td>Vice President for University Advancement</td>
<td>$500,000</td>
</tr>
<tr>
<td>Chief of Staff</td>
<td>$500,000</td>
</tr>
<tr>
<td>Vice President (Charlotte Program)</td>
<td>$500,000</td>
</tr>
<tr>
<td>Vice President and Chief Human Resources Officer</td>
<td>$500,000</td>
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<tr>
<td>Vice President, Facilities and Campus Services</td>
<td>$500,000</td>
</tr>
<tr>
<td>Vice President for Finance</td>
<td>$500,000</td>
</tr>
<tr>
<td>Vice President of Information Technology (Chief Information Officer)</td>
<td>$500,000</td>
</tr>
<tr>
<td>Vice President, Strategy and Operations</td>
<td>$500,000</td>
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</table>
## Category 2 Authority (Continued)
(See Exhibit A of Procedure)

<table>
<thead>
<tr>
<th>Title</th>
<th>Authority Limit</th>
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</thead>
<tbody>
<tr>
<td>Dean of the College</td>
<td>$250,000</td>
</tr>
<tr>
<td>Dean of the School of Business</td>
<td>$250,000</td>
</tr>
<tr>
<td>Dean of the School of Law</td>
<td>$250,000</td>
</tr>
<tr>
<td>Dean of the School of Divinity</td>
<td>$250,000</td>
</tr>
<tr>
<td>Dean of Graduate Programs in Arts and Sciences</td>
<td>$250,000</td>
</tr>
<tr>
<td>Dean of Graduate Programs in Biomedical Sciences</td>
<td>$250,000</td>
</tr>
<tr>
<td>Dean of the Z. Smith Reynolds Library</td>
<td>$250,000</td>
</tr>
<tr>
<td>Dean of Residence Life and Housing</td>
<td>$250,000</td>
</tr>
<tr>
<td>Associate Provost for Global Affairs</td>
<td>$250,000</td>
</tr>
<tr>
<td>Associate Provost for Research and Scholarly Inquiry</td>
<td>$250,000</td>
</tr>
<tr>
<td>Associate Vice President, Hospitality &amp; Auxiliary Services</td>
<td>$250,000</td>
</tr>
<tr>
<td>Executive Director of Real Estate</td>
<td>$250,000</td>
</tr>
<tr>
<td>Assistant Vice President, Financial Operations</td>
<td>$100,000</td>
</tr>
<tr>
<td>Director, Maintenance &amp; Utilities Operations (Facilities and Campus Services)</td>
<td>$100,000</td>
</tr>
<tr>
<td>Senior Director, Procurement &amp; Payment Services</td>
<td>$75,000</td>
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</table>

In the case of procurement contracts and guest speaker or performer agreements, anyone with Expenditure Authority of $100,000 or more as set forth in the Spend Authority Administrative Procedure.
## Category 3 Authority
(See Exhibit A of Procedure)

<table>
<thead>
<tr>
<th>Title</th>
<th>Authority Limit</th>
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</thead>
<tbody>
<tr>
<td>Assistant Provost for Budget &amp; Planning</td>
<td>$250,000</td>
</tr>
<tr>
<td>Senior Associate Director &amp; CFO of Athletics</td>
<td>$250,000</td>
</tr>
<tr>
<td>Executive Director, Operations &amp; Finance (Advancement)</td>
<td>$250,000</td>
</tr>
<tr>
<td>Associate Vice President, Finance &amp; Operations (Campus Life)</td>
<td>$250,000</td>
</tr>
<tr>
<td>Assistant Vice President &amp; Controller</td>
<td>$250,000</td>
</tr>
<tr>
<td>Assistant Dean for Finance and Administration</td>
<td>$100,000</td>
</tr>
<tr>
<td>Chief Administrative Officer, School of Business</td>
<td>$100,000</td>
</tr>
<tr>
<td>Budget Director, School of Law</td>
<td>$100,000</td>
</tr>
<tr>
<td>Director, Financial Services (Graduate Programs in Arts and Sciences; School of Divinity)</td>
<td>$100,000</td>
</tr>
<tr>
<td>Director, Graduate School of Arts and Sciences, Biomedical Sciences</td>
<td>$100,000</td>
</tr>
<tr>
<td>Associate Dean, Z. Smith Reynolds Library</td>
<td>$100,000</td>
</tr>
<tr>
<td>Associate Vice President and Executive Director, Office of Personal and Career Development</td>
<td>$25,000</td>
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Exceptions With Existing Processes
(See Exhibit B of Procedure)

Contracts that **DO NOT** need to be submitted to or reviewed by the Contracts Administrator prior to execution, but should continue to be routed through their normal review processes, include:

- Real estate contracts (but signed agreement should go to Contracts Administrator);
- Employment contracts;
- Contracts documenting the receipt of gifts;
- Agreements involving the sale, license or assignment of intellectual property; and
- Sponsored research or grant agreements.
Additional contracts that **DO NOT** need to be submitted to or reviewed by the Contracts Administrator prior to execution include:

- Purchasing contracts and guest speaker/performer contracts at or below $10,000;
- Certain contracts regarding library materials, as detailed in Exhibit B of the Procedure;
- Agreements on pre-approved University contractor or consulting agreement templates at or below $250,000;
- MOUs between one or more subsidiaries, schools, departments, or operating units of the University; and
- Contracts that generate $10,000 or less of revenue for the University during the term of the agreement.

**Note:** The fully executed version of each type of contract noted on this slide should be sent to the Contracts Administrator for records retention purposes.
Anyone with Expenditure Authority of $100,000 or more as set forth in the Spend Authority Administrative Procedure can sign the following agreements:
• Procurement contracts with a value at or below $10,000
• Guest speaker or performer agreements with a value at or below $10,000
Spend Authority Procedure

• Journey to where we are today:
  • Dr. Hatch’s 2005 spend level memo
  • 2017 Draft Contract Management Administrative Procedure
  • 2019 Spend Authority Administrative Procedure

• Defining Contract Authority vs. Spend Authority
  • Defining who can approve expenditures for payment at the University.
  • Provides foundation of Internal Controls within automated workflow.
Spend Authority Procedure

• Spend Authority Procedures as Defined in Current Draft:
  • Department identification & approval of appropriate approvers
  • Communication of requests to Financial Services
  • Financial Services review of the request for compliance with Spend Authority Administrative Procedure.
  • Update of roles in Workday
• Feedback and Questions on Spend Authority
Draft Procedure to date:
  • How many individuals can hold a CCM role in a cost center?
  • Definition of a “reasonable” amount of time for delegations.
  • Interim role assignments
  • Delegations and their impact

• Other comments/questions?
1. Both procedures are scheduled to take effect on March 1, 2019;

2. Both procedures will be published on the Accounts Payable and Procurement websites;

3. Training materials are being developed; and

4. Vendors will be invited to bid their Contract Management Software to electronically automate the contract routing process.
3rd Quarter FY19 Closing Process

Marnie Matthews
<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>March 29th</td>
<td>* All deposits to cashier before 12PM</td>
</tr>
<tr>
<td>April 1st</td>
<td>* All March receiving completed by 12PM</td>
</tr>
<tr>
<td></td>
<td>* Final Invoices in Accounts Payable (AP) by 5PM</td>
</tr>
<tr>
<td>April 3rd</td>
<td>* Journal entries submitted in Workday by 5PM</td>
</tr>
<tr>
<td>April 4th</td>
<td>* Payroll reallocations and redistributions in Payroll by 5PM</td>
</tr>
<tr>
<td>April 8th</td>
<td>* Final day to send accrual documentation to AP by 12PM</td>
</tr>
</tbody>
</table>
Key Dates for March 2019 Close
Departmental Close

April 9th - April 11th
* Accruals, deferrals and adjustments posted by Financial Services (including expenditure vouchers and employee travel expense reports)

April 15th
* FINAL Departmental Close – Reports available after 5PM
Invoice and Expense Transaction Status and Reporting

Allison Belton & Valarie Waddell
• **Requisitions**
  - A requisition is a request to purchase goods or services
  - While the requisition is in workflow is it a pre-encumbrance called a *commitment*
  - After the requisition is completely approved, it is ready to become a purchase order
    - At this point it is considered an encumbrance called an *obligation*

• **Invoices**
  - Draft – status if the invoice is saved and not processed
    - Has no impact on the obligation
  - Approved – status after AP approval
    - Relieves the obligation, moves transaction to Actual Status
- Requisition for office supplies costing $500 entered
- Funds are committed
- Requisition approved
- Funds are obligated, commitment is removed
• Invoice entered, saved, not processed
• Funds are still obligated, no change
**End User Report for Invoice Approved**

- Invoice approved by Accounts Payable
- Funds are considered “Actual”
- Invoice Payment status not a factor
- If February period was closed, invoice would post to next available open period
Expense Report Statuses

• Expense Reports
  • Non-expensed –
    • Pcard transactions only
    • Not recorded on an expense report
    • Not recorded on end-user reports
  • Draft –
    • Saved by the initiator
    • Not in workflow
    • Not recorded on end-user reports
  • In-Progress –
    • Entered workflow
    • Recorded on end-user reports as “reserved”
      • This happens after the Initiator submits the expense report and it passes budget check
Expense Report Statuses

- **Expense Reports**
  - Approved –
    - Expense report approved by AP
    - Recorded on end-user reports as “actual”
### Expense Report Status: Non-expensed or Draft

- Expense report not yet entered OR entered and saved as draft
- Amounts are not recorded
End User Report for Expense Report Status
In Progress

- Expense report submitted, budget check passed, await manager approval
- Amounts are reserved
• Expense report approved by manager, awaiting AP review
• Amounts are still reserved
End User Report for Expense Report Status Approved

Expense report approved by Accounts Payable
Funds are considered “Actual”
Expense report payment status not a factor
If February period was closed, expenses would post to next available open period
May 15, 2019
9:00 – 10:30 a.m.
401 A/B Benson University Center

Preliminary Agenda

• Fiscal Year End Closing Process
• Deposits: review process and how to reconcile to subsystems
• Chart of Accounts

Your input is essential as we continue to collaborate and discuss items of interest so that we can improve how we do business at Wake. So, please continue to send along suggestions, questions, and topics you want to hear about, know about, or discuss with others. (My e-mail is anderssc@wfu.edu). I would love to hear from you!