

HEALTH SCIENCE CENTER HANDBOOK OF OPERATING PROCEDURES

Chapter 6	Fiscal Policies and Procedures	Effective:	July 2000
Section 6.1	Accounting	Revised:	April 2009
Policy 6.1.5	Types of Services for State and Local Purchases	Responsibility:	Assistant Vice President for Business Affairs

TYPES OF SERVICES FOR STATE AND LOCAL PURCHASES

Books, Subscriptions, and Reprints

Payment may be made directly to the vendor or reimbursed to the employee. The delivery address must be a Health Science Center address or satellite location; the Director of Accounting must approve any exception. Proof of payment is required if a reimbursement is requested. These purchases are not allowed on certain grants.

Contributions

Contributions are not allowed. The written approval of the Executive Vice President for Business Affairs is required for an exception.

Discretionary Funds Expenditures

Expenditures from Designated Funds – MSRDP/DSRDP (22100-22xxx and Designated Funds – General (23001-23xxx, excluding funds 23055, 23056, 23065, 23066, and 23070):

1. Drinks - Refreshments for visitors and employees may be purchased under the following guidelines:

From Departmental Funds: Coffee, soft drinks, and juices may be purchased as authorized by the head of the department or office.

From Institutional Funds: Coffee, soft drinks, and juices may be purchased for official visitors by various departments and offices that have been authorized by the President.

2. Miscellaneous Items - Purchases of floral arrangements, fruit baskets, candy, and similar specialty items may be purchased for occasions of achievement, recognition or congratulations, sympathy condolences, and official visitors. Such purchases should be limited to employees and family members of employees; other University, state, or federal officials and officers; and local dignitaries. Holiday cards may not be purchased from any source of University funds.
 3. Entertainment Expenses - Expenses for entertaining official guests of the University should be reasonable and appropriate.
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As a general guideline, the expenses should not exceed \$90 per person as recommended by institutional guidelines. This applies to individual entertainment such as faculty recruitment and not to departmental functions such as, honoring graduating house staff.

4. Operating Expenses - Departmental operating expenses paid from these funds can be handled in accordance with University policy for travel and non-salary expenditures. Items purchased must comply with established University procedures. See [Section 6.1.6](#), "Requirements for Official Functions and Entertainment", of the *Handbook of Operating Procedures* (HOP).

Dues and Memberships

The employee must pay individual memberships to health-related organizations. The employee can then be reimbursed on a voucher. Institutional memberships to health-related organizations can be paid to the vendor or reimbursed to the individual. Alumni dues are not allowed on any fund group. All other memberships that are of benefit to the Health Science Center and the department can be reimbursed to the employee or paid to the vendor on the project ID's that allow dues and memberships.

Inter-agency Contracts

Contracted payments made by voucher to other state agencies.

Intra-agency Contracts

Contracted payments made by voucher to other University of Texas System components.

Labor Charges

Labor charges, including parts and/or supplies, with an aggregate total cost of \$5,000 or less must be processed on a voucher. Charges over this limit or that include maintenance agreements require a requisition and purchase order. Payment is made to the vendor. An invoice is required to pay the vendor. The Health Science Center cannot pay from a service report.

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License to Practice

Texas health-related licenses to practice or other similar Texas licenses or fees cannot be paid by the Health Science Center to an agency or board. Such payments must be handled as a reimbursement to the employee. Non-health related license fees can be paid directly to a vendor or reimbursed to the individual. License fees are limited to General Revenue Funds – State (14000-14xxx, 23055, 23056, 23065, 23066, and 23070), Designated Funds – MSRDP/DSRDP (22100-22xxx), and Designated Funds – General (23001-23xxx, excluding funds 23055, 23056, 23065, 23066, and 23070). Out-of-State licenses or fees are not allowed.

Moving Expenses

Expenses are allowed for faculty only and can be reimbursed to the individual only. Expenses are limited to Designated Funds – MSRDP/DSRDP (22100-22xxx), Designated Funds – General (23001-23xxx, excluding funds 23055, 23056, 23065, 23066, and 23070), and Current Restricted Funds (48000-48xxx). Designated Funds need the approval of the Executive Vice President for Business Affairs. Current Restricted Funds (48000-48xxx) need the approval of the Office of Sponsored Programs. The voucher must reference the employee’s PeopleSoft vendor ID number.

Non-employee Fees

Consists of payment to individuals for services rendered. Examples are consultants, lecturers, musicians, caterers, computer programmers, secretaries, clerks, data collectors, nurses, lab technicians, etc. A completed [Prior Approval](#) and [Employee/Independent Contractor Classification Checklist](#) must be attached to the voucher. Witness, recipient, and authorized signatures are needed on the voucher. Refer to [Section 6.1.4](#) of the HOP, “Payments to Consultants and Non-Employees”, for additional information on payments to consultants and non-employees. Expenses that exceed 20% per line item of the estimated cost on the [Prior Approval](#) require a revised [Prior Approval](#) form approving the new cost. For required voucher backup, refer to [Section 6.1.2](#) of the HOP, “Definitions”.

Non-employee Travel Expenses

Travel expenses of non-employees can also be reimbursed if approved on the [Prior Approval](#). However, if the person’s employer is another Texas state agency or if the individual is a prospective employee, the

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travel expenses need to be processed on a [Travel Voucher](#). Travel rules need to be followed. Expenses that exceed 20% per line item of the estimated cost on the [Prior Approval](#) require a revised form approving the new cost. For required voucher backup refer to [Section 6.1.10](#) of the HOP, "Required Voucher Back-up".

Departments may arrange direct billings with area hotels for consultants, non-employees, and prospective employees (in-coming travelers):

- Allowable charges on direct hotel arrangements are lodging, local taxes, meals, and business calls as long as they are in conformity with prescribed University travel regulations. Any other incidental expenses billed will not be paid. The hotel should be notified of non-allowable expenses and should charge any unallowable expenses directly to the traveler. The department is responsible for settling disputes with the hotel regarding any unpaid balances.
- A [Prior Approval](#) form must be completed and attached to the voucher requesting payment. In addition, the [Prior Approval](#) must indicate that lodging will be paid directly to the hotel. Refer to [Section 6.2](#) of the HOP, "Travel Policies and Procedures", for which form is appropriate.
- An in-coming traveler does not include current University employees, faculty, residents, interns, fellows, and students. These individuals must continue to utilize the travel reimbursement process.
- Direct billing for airfare is handled through the University's Business Travel Account (BTA). See [Section 6.2.13](#) of the HOP, "Purchase of Airline Tickets for Official Visitors".

Patient Studies

A [Prior Approval](#) is not needed. The voucher is made payable to the person in the study. Witness, recipient, and authorized signatures are required. Non-resident aliens participating in patient studies need the approval of the Office of International Services.

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Prepayments

These are allowed for workshop/registration fees, books, dues to non-health related organizations, institutional memberships, subscriptions, reprints, and abstracts. The voucher is made payable to vendor.

Temporary Employment Services

1. University Contracted Agencies (Process on a [Local/State Voucher](#)):
 - A listing of the contracted agencies can be found on the Business Affairs' Bulletins, Web site at <http://www.uthscsa.edu/business/bulletins/>.
 2. Non-University Contracted Agencies:
 - If under \$5,000, process on [Local/State Voucher](#).
 - If \$5,000, and over process on PeopleSoft Requisition (Web REQ).
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Gift Cards

Gift cards, gift certificates or similar coupons may be purchased as incentives or reimbursements for patients, volunteers or other non-employee recipients provided the expenditure is allowable for the funding source. Departments should maintain adequate records to identify the recipients of these awards and ensure compliance with general tax reporting rules. Gift cards may not be purchased and awarded to Health Science Center employees.
