

VCCS Shared Services – Procure to Pay Business Rules



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Objective

The intent of this document is to clearly articulate the VCCS “Business Rules” that apply to the VCCS Procure-to-Pay function.

A “Business Rule” is an “internal policy” drafted by the VCCS that states a clarifying position on a documented Policy or Law. A Business Rule may also be a VCCS-specific rule that all Colleges, the System Office and the SSC SHALL follow for a particular function. These Business Rules are used by the VCCS to guide decisions relative to overall governance in order to ensure consistency of interpretation across the VCCS entities. As such, these business rules do not need to be reviewed or approved by the State Board.

Note: All references to “College” or “Colleges” also include the System Office, and, where appropriate, the SSC. Also, the term “VCCS” refers to ALL Colleges, the System Office and the SSC.

Introduction

The VCCS Shared Services Center (SSC) was established to centralize a variety of College administrative functions, thus relieving the Colleges of the administrative burden and allowing them to focus more effort and energy to supporting their College mission within their communities. The SSC will allow the VCCS to better standardize operations, gain performance efficiencies, and leverage our state-wide presence. The SSC is governed by the Colleges who participate in the SSC Process Councils, Management Council and Executive Councils.

Operations

Procure-to-Pay Operations will be performed by the Shared Services Center (SSC). This must be a collaborative effort with the Colleges. In general:

- Colleges: Following basic Procurement guidelines and rules, initiate their purchases via Purchase Requisitions (Colleges may suggest sources and SSC will complete purchases from compliant sources)
- SSC: Review and process Requisitions into Purchase Orders
- SSC: Establish (solicit) and manage contracts
- SSC: Ensure compliance
- College: "Receive" goods and services in eVA
- College: Perform appropriate Contract Administration functions
- SSC: Process submitted invoices
- Colleges: Maintain basic knowledge of Procurement and A/P guidelines and rules
- SSC: As the Subject Matter Experts (SMEs), maintain knowledge of Procurement and A/P rules and regulations
- Both: Effectively work to address vendor performance issues and disputes

Specific "Roles and Responsibilities" (delegated purchasing authority) are documented within the applicable procedures.

Procurement Delegation of Authority

Authority to authorize purchases (Purchase Orders and PCard Purchases) will be delegated annually to appropriate roles within the VCCS. Unless specifically stated, all others within the VCCS do not have procurement authority.

Signature Authority

Authority to sign Procurement documents will be delegated annually to appropriate roles at the Shared Services Center. Unless specifically stated, all others within the VCCS will not have authority to sign Procurement documents.

Management

As indicated in APSPM Annex 1-B, the VCCS Chief Procurement Officer (CPO) shall report from no lower than level 3 in the agency hierarchy and have full responsibility and commensurate authority for the agency's procurement-related policy and procedure development, implementation and administration.

The Colleges and the SSC will work together to ensure both a compliant and efficient operation – balancing the demands of the College operations with the rules and regulations of the Commonwealth.

Use of eVA

The VCCS will use eVA system for the procurement and receiving functions of the procure-to-pay process. Pursuant APSPM 3.19 and VPPA § 2.2-1110.

"All using agencies shall utilize the Department of General Services' central electronic procurement system as their purchasing system beginning at the point of requisitioning for all procurement actions, including but not limited to technology, transportation, and construction, unless otherwise authorized in writing by the Division (Code of Virginia, § 2.2-1110)."

"All informal solicitations, Invitations to Bid, Requests for Proposal, Addenda, sole source award notices, emergency award notices, awarded contracts and modifications, government-to-government service contracts starting at \$25,000 that appears on the Commercial Activities List, and conceptual proposals received under a PPEA or PPTA shall be posted on the DGS central electronic procurement system, commonly known as eVA (Code PIM 98-042 of Virginia, § 2.2-1110)."

All solicitations, awards, contracts and purchasing transactions (unless noted in the [Exceptions](#) list below) shall be completed in eVA regardless of fund source ([Appendix A](#)).

The following table delineates the use of eVA for all VCCS Sub-Agencies:

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APSPM 14.2 Agency Responsibility		VCCS 'Rule' (Internal Policy)		
1	Re-delegation of purchasing authority	Procurement authority is delegated annually directly to the Shared Services Center Procurement Team from the VCCS Chancellor via <u>Shared Services Center Delegated Procurement and Contract Signature Authority</u> letter.		
2	Requisition approval process	<p>The delegation of authority is reflected in the eVA requisition approval workflow such that the Shared Services Center Procurement Team shall be the final approval role within the workflow.</p> <p>VCCS sub-agencies shall define the appropriate workflow for their sub-agency that will be established prior to the SSC approval.</p>		
3	How to incorporate terms and conditions	Incorporation of terms and conditions by the SSC Procurement Team unless otherwise noted is as follows:		
		General Terms & Conditions	Special Terms & Conditions	Other Terms or Provisions
		Purchase Orders with Contract	Included and Governed from the Contract	Included and Governed from the Contract
		Attached as a total	Attached as a total	Attached as a total agreement,

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		Purchase Orders with Vendor Agreements	agreement, including the 'Contractor Addendum' and Vendor's Agreement	agreement, including the 'Contractor Addendum' and Vendor's Agreement	including the 'Contractor Addendum' and Vendor's Agreement
		All Other Purchase Orders	Included as an eVA generated purchase order by DGS	Included in the comments or attachment visible to the supplier	Included in the comments or attachment visible to the supplier
		Solicitations	Included as an attachment	Included as an attachment	Included as an attachment or within the requirements
4	Interface with finance and accounting	eVA integrates with the VCCS Accounting Information System (AIS), sending purchasing and accounting data for 25 VCCS sub-agencies. (Exception: PHCC, VHCC, VWCC and WCC PCO do not integrate)			
5	Record keeping	VCCS System of Record for Purchase Orders is the eVA requisition.			

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6	Encumbrance of funds	All 25 VCCS sub-agencies encumber funds in AIS automatically in the integration process within the purchase order creation process in eVA unless 'bypass integration' is selected and as such the requisitioning agency is responsible for manually encumbering and relieving funds.
7	Receiving (central and/or decentralized)	All 25 VCCS sub-agencies shall establish Centralized or Decentralized receiving appropriate for their institution. All VCCS sub-agencies shall receive their goods or services in eVA.
8	Interface with internal automated systems	VCCS does not maintain any interfaces with eVA; however, VCCS does maintain an integration with the VCCS Accounting Information System (AIS).
9	Conducting compliance audits/reviews of purchase transactions made by or on behalf of agency employees	Shared Services Center Buyers complete compliance reviews of all requisitions. Additionally, Compliance Officers complete compliance reviews of all requisitions exceeding the amount specified in the Shared Services Center Delegated Procurement and Contract Signature Authority letter.
10	Contingency plan in the event the eVA system is temporarily not available	Short-Term or brief outages generally less than 6 weeks*: For urgent procurement** requests that cannot be delayed until eVA is restored, please contact your College charge card holder to complete an urgent procurement. All

	<p>documentation and records shall be kept and attached to a confirming order, when eVA is restored.</p> <p>Should an occasion arise where eVA's unavailable status extended beyond a brief period noted above, then VCCS would work with DGS, Senior Management and SSC Governance to determine an appropriate process for the extended period.</p> <p>Note: Emergency procurements shall follow emergency procedures pursuant APSPM Chapter 9. See (link to procedure and training materials)</p>
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*Fiscal Yearend outages are considered standard operating procedure and as such are not considered for contingency planning purposes

**A purchase requirement that has arisen that is mission critical to the operation of the institution; however, does not fit the state definition of emergency.

Exceptions to the Use of eVA

The following table is a list of exceptions to the use of eVA. If check payments are required for any of these exceptions payment requests shall be communicated to the Shared Services Center via a standardized voucher request form, accessed through Perceptive Content, which must be authorized by appropriate personnel as documented on a non-procurement delegated signature authority matrix supplied annually to the Shared Services Center.

Exceptions Pursuant APSPM 14.9e OR VCCS Exceptions:

- Award of grants (disbursement of grant funds) by agencies and institutions to public bodies or tax exempt non-profit charitable organizations*
- Bond Payments
- Clinical Agreements
- Conference registrations
- Executive compensation payments to a third-party provider
- Grant Stipends
- Honoraria**
- Individual travel and lodging
 - a) Group (i.e., two or more individuals) travel up to \$50,000 per group travel event
 - b) Group travel-related lodging
- Intra-agency payments
- Over the counter small purchase charge card (SPCC) purchases that are made at the site of the sale and picked up by the individual card holder.
- Payments, including reimbursements and those processed for Workforce Development, to state/local agencies or foundations
- Professional organizational membership dues
- Public Utilities (electric, natural gas, water, sewer)***
- Purchases made using the DPS statewide contract for Express Delivery Services
- Real Estate Leases***
- Refund of tuition to a third-party provider
- Reimbursements to school systems for dual enrollment expenses
- Student club purchases that do not include state funds****
- Tuition Management System disbursements
- Voyager (fuel) charge card purchases

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*This exception does not apply to the expenditure of grant funds by agencies and institutions for the purchase of goods and/or services.

**Services typically provided free of charge or fee, however, a payment is made as a form of acknowledgement for the services rendered.

***See Business Rules entitled "Real Estate and Utilities" for applicable payment rules

****Student clubs with co-mingled state and local funds must abide by all state regulations for the state-funded portion; to avoid implications, colleges retain the option to mandate the same rules for all clubs, or maintain separate accounts for state and local funds within each club.

**Appendix A
Fund Source**

Fund source in this application refers to all governmental funds as listed in the table below for guidance (not all-inclusive):

Fund Source	Guidance
Appropriated State Funds	Shall use eVA
Appropriated Local Funds	Shall use eVA
Other Public State or Local Funds	Shall use eVA
Public Grant Funds	Shall use eVA
Foundation Funds, including private grant funds	May use eVA. (Please note: if eVA is used, since procurement 'rules', Laws, Regulations, Policies are not applicable, requester shall select type 'X02' and communicate to SSC)
Student Fees	Shall use eVA
Student Club Funds	May use eVA. (Please note: if eVA is used, since procurement 'rules', Laws, Regulations, Policies are not applicable, requester shall select type 'X02' and communicate to SSC)

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The above payments will be communicated by the college to the SSC via a standardized voucher request form which must be authorized by appropriate personnel as documented on a delegated signature authority matrix retained by the SSC.

Roles, Responsibilities, and Accountability

<p>College End- Users</p>	<p>End-users must initiate each transaction via PO or voucher request according to the business rule stated above. For routine transactions entered into eVA, colleges must use the standard full requisition. For complex procurements likely requiring an RFP or IFB, a solicitation request should be completed.</p> <ul style="list-style-type: none">• Qualified IT purchases must be accompanied by an approved "Technology Project Request" (TPR) that was completed by the end-user and submitted to ITS prior to submission of a request for procurement.• All college-initiated construction projects and related design services which are regulated under the VCCS Construction and Professional Services Manual (VCCS- CPSM), will be initiated by a Project Initiation Form under the authority of Facilities Management Services within the System Office. If approved, Facilities Management Services will establish vendor contracts in accordance with the VCCS-CPSM and enter appropriate confirming orders in eVA.• All other facilities-related procurements for goods and services that are not bound by the VCCS-CPSM will be initiated in eVA by the end-users and follow the standard procurement process as defined in the state APSPM.• Blanket purchase orders are not mandatory. This option is available for the following instances in eVA:<ul style="list-style-type: none">◦ Regularly reoccurring services in the fiscal year that are any of the following:<ul style="list-style-type: none">• Under the threshold for competition (\$10,000 total
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- spend over all years of need)
- Does not require competition because it's supplied from a mandatory source
- Has already been competed and is under a Contract
- The dollar amounts requested on the blanket meets the following criteria:
 - The total amount does not exceed the value of the contract for the period of time being requested
 - The amount being requested is estimated based on historical amount spent OR an estimate for expected cost for a new purchase
 - The amount requested shall have a document attached with the estimates to prove (support) the amount requested
- Certain transactions, including TMS payments (revenue refunds) will require priority processing to ensure timely receipt of payments. As a result, colleges must submit these types of payments to the SSC via voucher request by 4:00 PM to guarantee same-day entry into AIS.
- Employees will **not** be reimbursed for out-of-pocket expenses for goods or services that should have been procured through standard processes (note: this does not apply to emergency purchases). For unanticipated needs requiring expedited or same-day purchase, an authorized small purchase charge card at the college shall be used.

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College Approvers	<p>If a vendor invoice is received at the SSC without a properly authorized PO, and the VCCS is obligated to pay, the end-user must create a PO in eVA with special instructions that (re)delivery of the good/service is not required. The SSC will educate vendors and end- users of these standard requirements and expectations.</p>
	<p>If a vendor invoice arrives at the college, rather than the SSC as directed by the PO, the college must date stamp the invoice and forward to the SSC electronically within three (3) business days of receipt. The SSC must stamp the invoice "Certified Copy Use as Original" upon arrival.</p>
	<p>In accordance with the CAPP manual, end-users (or designated central warehouse personnel) are responsible for "receiving" the good/service in eVA – which generally serves as authorization to pay the associated invoice – within three (3) business days of delivery.</p>
	<p>POs will be routed through a designated approval workflow in eVA, set up at the discretion of each college. Voucher requests must be authorized by appropriate personnel as documented on a delegated signature authority matrix retained at the SSC.</p>
	<p>All colleges shall enable eVA/AIS integration at all dollar amounts at both the requisition and PO integration points. This does not require that "budget check" is turned on, although colleges may choose to do so. If budget check is turned on and the integration from eVA to AIS fails, the SSC will notify appropriate parties so that the request can be (i) overridden and passed through, (ii) adjusted to alternate account coding, or (iii) cancelled. "Bypass Integration"</p>

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	<p>approval will reside at the SSC, but these instances will be communicated to the colleges so that encumbrances may be created locally.</p> <p>Finance personnel may review invoices prior to payment at the discretion of each college, and will be responsible for communicating timing/vendor issues to the SSC to process accordingly. However, if an invoice due date is imminent, the SSC is authorized to complete the transaction in advance of the review to ensure compliance with the Prompt Payment Act. Similarly, colleges requiring review prior to payment must acknowledge they are waiving opportunities for prompt pay discounts that may be available.</p>
<p>IT Services (System Office)</p>	<p>Given new processes that include automated approval workflows for procurement transactions within eVA, the current TPRR will be redesigned solely as a "Technology Project Request" (TPR). IT Services at the System Office will retain responsibility for reviewing and approving these requests.</p>
<p>Facilities Management Services (System Office)</p>	<p>All college-initiated construction projects and related design services which are regulated under the VCCS-CPSM, will be initiated by the college via a Project Initiation Form.</p> <p>Facilities Management Services within the System Office is responsible for reviewing the form – and, if approved, will establish contracts with selected vendors in accordance with the VCCS-CPSM. Facilities Management Services will then create confirming orders for each component of the project (e.g. design, construction, inspection) that will serve as blanket purchase orders throughout the duration of the project. All invoices for these</p>

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	<p>projects will be processed by the SSC using standard practices described within these business rules.</p>
<p>SSC Personnel</p>	<p>The SSC will be responsible for vendor registration in eVA which will assist vendor setup and maintenance within AIS and Cardinal. The use of ad hoc vendor registration in eVA will not be allowed – vendors will be highly encouraged to self-register, and the use of state- entered vendors discouraged to the extent possible.</p>
	<p>Certain transactions, including TMS payments (revenue refunds) will require priority processing to ensure timely receipt of payments. As a result, if colleges submit these types of payments to the SSC via voucher request by 4:00 PM, they will be guaranteed same- day entry into AIS by the SSC. For TMS voucher requests submitted to the SSC after 4:00 PM, every effort will be made to enter and approve the TMS payment voucher(s) in AIS the day of receipt. The SSC must notify the respective college if the voucher(s) will not be processed until the next business day. Non-priority voucher requests must be processed within two business days.</p>
	<p>Note: The SSC must enter and approve vouchers by 6:00 PM to ensure the voucher integrates with Cardinal overnight. Any vouchers entered after 6:00 PM will process overnight the next business day.</p>
	<p>The SSC must process all of its procurements in accordance with appropriate policies and procedures.</p>
	<p>The SSC will provide automated and manual notices to educate non-compliant end-users, central warehouse personnel, and vendors of standard requirements and expectations.</p>

	Management reports will be prepared to assess the ongoing performance of all related parties.
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Three-Way Match

The SSC may proceed with payment if an invoice is less than or equal to the associated PO in any amount, so long as the invoice is less than the remaining encumbrance. Further, the SSC may proceed with payment if the variance is a result of shipping costs. If the shipping cost is not estimated/quoted on the original PO, the SSC is not required to pay the shipping cost listed on the invoice. Further, the SSC may proceed with payment if the invoice exceeds the PO by less than or equal to 2% of the total PO amount, where the variance does not exceed \$100. All other variances, as well as explicit requests by the vendor/agency within the limits stated above, require a change order or reissuance of the invoice, depending on the source of the variance.

Roles, Responsibilities, and Accountability

<p>College End-Users</p>	<p>Blanket POs allow for progress payments and do not require a dollar-for-dollar three-way match prior to payment by the SSC.</p> <ul style="list-style-type: none">• Blanket purchase orders are not mandatory. This option is available for the following instances in eVA:<ul style="list-style-type: none">◦ Regularly reoccurring services in the fiscal year that are any of the following:<ul style="list-style-type: none">• Under the threshold for competition (\$10,000 total spend over all years of need)• Does not require competition because it's supplied from a mandatory source• Has already been competed and is under a Contract◦ The dollar amounts requested on the blanket meets the following criteria:<ul style="list-style-type: none">• The total amount does not exceed the value of the contract for the period of time being requested• The amount being requested is estimated based on historical amount spent OR an estimate for expected cost for a new purchase• The amount requested shall have a document attached with the estimates to prove (support) the amount requested
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	<p>For payments that are not generally accompanied by invoices (e.g. equipment leases), the college is responsible for contacting the vendor to request creation and distribution of invoices based on payment schedules at the college's discretion. If the vendor does not comply, the college must provide the SSC adequate documentation authorizing the payment schedule.</p>
<p>SSC Personnel</p>	<p>The SSC, supported by automation to the extent possible, must track detailed information related to invoices, receiving reports, payments/credits, and the resulting PO balance to ensure proper spending against a blanket PO. Any open encumbrances resulting from approved variances must be reviewed and closed in a timely manner.</p> <p>SSC personnel must also be aware of potential variances, e.g. lack of shipping on a vendor quote or PO, to confirm the vendor and end-user's awareness and limit payment disputes.</p>

Payment Exceptions

Vendor disputes will be handled in accordance with the CAPP manual. Outstanding checks paid with state funds will be investigated and processed by the SSC in accordance with Department of Treasury (DOT) guidelines and materials. Outstanding checks paid with local funds that are \$100 or greater and 90+ days aged will be investigated and processed by the SSC on a monthly basis. Any check(s) that remain outstanding must be submitted to the Division of Unclaimed Property. Outstanding checks paid with federal funds must be returned to the appropriate Federal Agency after appropriate due diligence has been performed

by the SSC.

Roles, Responsibilities, and Accountability

<p>College End- Users</p>	<p>Vendor disputes: College personnel must notify the SSC within three (3) business days of receipt of the good/service that a dispute is in progress and payment should not be made against the associated invoice. Subsequently, the SSC and the recipient of the good/service must coordinate to contact the vendor within fifteen (15) business days of receipt to initiate corrective action among the parties.</p>
	<p>Vendor disputes: SSC personnel may assist the dispute resolution, verifying vendor contact within fifteen (15) business days of receipt. The SSC will proceed with payment upon resolution of the issue and receipt of the good/service within eVA.</p> <p>State voids/stops: The SSC will be the point of contact for all vendor check inquiries. The SSC will coordinate with the college to determine whether a check has been returned to the college. If not, the SSC will confirm the status of the check with DOT via CheckIT. If the check is outstanding, the SSC must then submit the Cardinal Stop Payment Authorization Form to DOT detailing the appropriate course of action (stop payment or stop & re-issue payment), and perform any entries required in AIS.</p>

<p>SSC Personnel</p>	<p>The SSC will also be responsible for performing due diligence on State outstanding checks upon receipt of the outstanding checks list from the DOT. For checks that have a monetary value of \$100 or greater, the SSC must send the DOT's standardized due diligence letter, with the respective college's letterhead, to the payee. The SSC must also confirm the status of the check with DOT via CheckIT. The SSC must then submit the Cardinal Stop Payment Authorization Form to DOT detailing the appropriate course of action (stop payment or stop & re-issue payment), and perform any entries required in AIS. State checks on the list that remain outstanding post due diligence and/or at fiscal year-end must be submitted to the Division of Unclaimed Property.</p>
	<p>Local voids/stops: Each month, outstanding checks – identified through the bank account reconciliation process – that are \$100 or greater and 90+ days aged must be investigated by the SSC. The SSC will coordinate with these payees, as well as payees that initiate the investigation, and the local bank to determine the appropriate course of action (stop payment or stop & re-issue payment). After performing due diligence and determining check(s) that will remain outstanding, the SSC must submit the unclaimed payments to the Division of Unclaimed Property.</p>
	<p>Federal voids/stops: Federally funded checks that remain outstanding post due diligence are required to be returned to the appropriate Federal Agency by SSC personnel.</p>

Disbursement and Maintenance of Local Funds

In an effort to limit the number of bank accounts and related costs system-wide, the vast majority of local fund payments will be disbursed by the SSC from a single, interest-bearing checking account, segregated by college. Colleges will be required to adopt this same bank – which will be selected in accordance with applicable procurement regulations – for the purpose of making local fund payments.

Separate accommodations will be made if the SSC bank does not have a branch near a given college.

Roles, Responsibilities, and Accountability

	<p>Each college will be requested to maintain two checking accounts:</p> <ul style="list-style-type: none">• An operating account shared with the SSC in the SSC bank so that existing funding and all future deposits are available• A "petty cash" checking account maintained by the college at a local bank for ACH disbursements and limited check payments that must be hand-delivered before the SSC is capable of processing/ mailing the check to the college. This may or may not be the same bank as the SSC local bank branch. The colleges will be responsible for disbursing all payments, and either processing in AIS directly or submitting a voucher request to the SSC to process in AIS (noting that funds shall not be disbursed).• Colleges are encouraged as a best practice to minimize the number of local checking accounts that they have in order to
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College Finance Personnel	<p>reduce fees and related staff costs for reconciling accounts each month.</p> <ul style="list-style-type: none"> Colleges have the flexibility to maintain the balance of their local funds in locally managed investment accounts in banks of their choosing or may invest them with the SSC bank.
	<p>If a college opts to retain a different bank than the SSC's for investment purposes, college finance personnel must transfer funding on a monthly basis from their own bank to the SSC's bank. The amount will vary by college and by month, but must provide enough funds to cover all expenditures paid during the period.</p>
	<p>Investments will remain the discretion of the college, and funds may be withdrawn from the operating accounts at any time by authorized college personnel. Bank account reconciliations will remain the responsibility of the college, supported by monthly reports from the SSC listing all outstanding checks issued from the shared bank account.</p>
	<p>Federal funds will be deposited directly from the Department of Education's web portal, G5, into the SSC's local fund bank account. The colleges will be responsible for submitting applicable voucher requests that the SSC will process, including payments to:</p> <ul style="list-style-type: none"> TMS Colleges' state bank accounts for tuition College bookstores <p>Note: Until the conversion process of updating bank accounts within G5 is complete – which is historically a timely process and best performed in the timeframe around fiscal year-end – the</p>

	colleges may continue processing drawdowns and reverse drawdowns locally.
SSC Personnel	The SSC will be responsible for disbursement and AIS processing for all transactions paid from the shared operating account, as well as transactions disbursed locally at the college but requiring an AIS payment voucher.

Contract Administration

The SSC will perform the procurement-related contract **management** function on all contracts, ensuring involvement of the college at each decision point. The SSC will designate (with direction from the college) contract **administrators** at the colleges when necessary for day-to-day oversight of contracts.

Roles, Responsibilities, and Accountability

College End-Users	Designees at the college, generally recipients of the contracted goods/services, will be responsible for contract administration , which includes oversight of day-to-day activities/utilization of the contract.
SSC Personnel	The SSC will be responsible for contract management , which includes life cycle management of the contract, e.g. legal review, management and signature authority for issuance, change orders/modifications, performance, renewal, close-out, etc. For more information, see business rule for Purchase order

	transmission (PO Print).
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Other Role Allocations

Topic	Roles
Exemptions / Exceptions	On an annual basis, the SSC will ask for blanket approval of exemptions / exceptions regarding mandatory purchases on behalf of all colleges. Additional requests for mandatory purchase exemptions should be submitted to the SSC for processing through the appropriate agency.
Fiscal Year- End	Fiscal Services (System Office) will continue to prepare and disseminate the fiscal year-end schedule based on DOA closing deadlines and other factors. The SSC will coordinate with Fiscal Services to determine deadlines for making procurements (perhaps with different timelines and thresholds for different types of procurements) and submitting items for payment. <i>The SSC will work closely with colleges to ensure that year-end balances are spent in accordance with college plans.</i>
Fixed Asset Management	Colleges are responsible for identification, tagging, and tracking of fixed assets and other controlled items. Colleges may determine whether assets other than those mandated by the State are to be controlled. Colleges are responsible for identification and management of surplus property.

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<p>1099 Processing</p>	<p>The SSC is responsible for generating and distributing Form-1099 to all applicable vendors. It is at the discretion of the college to review the 1099 tax forms prior to disbursement to the vendors. It is the responsibility of the SSC to upload the "Test" and "Final" 1099 tax files to the IRS' website, FIRE. The "Final" tax file is required to be uploaded to FIRE no later than the latest IRS Filing Deadlines each year. In addition, the SSC will monitor the status of both the "Test" and "Final" tax files and perform corrective action as necessary.</p> <p>Vendor disputes regarding Form-1099 will be addressed by the SSC in coordination with the colleges as deemed necessary.</p>
<p>Leases</p>	<p><u>Operating Leases:</u></p> <p>For leases of real property, the policy related to obtaining approvals for establishing an off- campus site is in the State Board Policy Manual, Section 10.3; procedures for soliciting and negotiating leases for off-campus sites are in the Lease Procedure Manual maintained by Legal Services/Facilities Management Services. Colleges are encouraged to use the services of the assigned vendor under the state's Commercial Real Estate Broker Services Contract, currently Divaris Real Estate.</p> <p>Real estate leases do not require the issuance of an eVA purchase order.</p> <p>For leases of equipment, standard procurement policies and practices apply. All equipment leases should be entered into eVA and payments should be made using a blanket purchase order, described in a business rule above.</p>

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	<p><u>Capital Leases:</u></p> <p>For capital leases (leases of real property that meet one of the following tests per CAPP manual – lease transfers ownership to lessee by end of lease term; lease contains a bargain purchase option at the end of the lease term; lease term is equal to 75% or more of the estimated economic life of the leased property; present value of the minimum net least payments equals or exceeds 90% of the fair market value of the property) – procurement procedures are determined by the state and the State Board and are reflected in the VCCS capital outlay manual. Capital leases require approval by the State Board and are also subject to further approval of the General Assembly and appropriate state agencies.</p> <p>Real estate leases do not require the issuance of an eVA purchase order.</p>
Emergencies	See business rule for Emergency procurement.

Changelog

October 2024	Removed Small Purchase Charge Cards and the public utilities section in Use of eVA
July 2024	Updates to support Level 2
April 2024	Update to PCard content related to Blanket Order with additional Management Council edits for PCard and clarification of when Blanket Order option is available.
December 2023	Updated Honoraria Exemption – Requested by Purchasing Council Updated Over-the-Counter Process. Approved by Management Council on 10/11/2023.
March 2022	Updated to remove “slim-line” language per Ken Kapko’s Evergreen review.
April 2021	Updated Small Purchase Charge Cards Business Rule. Originally approved by the Purchasing and AP Process Councils in May 2020 and by Management Council in June 2020. SF Ticket 111003

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March 2021	Added over-the-counter culinary purchases to list of PO exemptions in Roles and Responsibilities section of Small Purchase Charge Card Business Rule. Management Council approved on 3/24/21. SF Ticket 134571
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VCCS Shared Services – Procure to Pay Business Rules



October 2020	<p>Portions of four (4) APSPM eVA exemptions added to Procure-to-Pay General Guidelines. Approved by Management Council Standing Committee on Procurement 2020-09-25.</p> <p>SF Ticket 121305</p>
July 2020	<p>Travel exemption added to Procure-to-Pay General Guidelines. Approved by Management Council Standing Committee on Procurement 2020-07-30</p>
June 2020	<p>Update to Small Purchase Card content, per Sean Corron's request. Approved by Purchasing & AP Process Councils May 2020 and Management Council in June 2020.</p> <p>SF Ticket 111003</p>
March 2020	<p>Eliminated requirement to create eVA purchase order for express delivery services (UPS) and established new rule permitting the use of SPCC for those purchases; approved by Management Council Purchasing Standing Committee 2020-02-25.</p>
March 2020	<p>Modified "Superseded by" language in Contract Administration, re: PO Print, and Emergency – Per Cheryl Thompson-Stacy.</p> <p>Modified preamble to remove pilot language. 2020-03-02</p>
February 2020	<p>Added Changelog to record changes in the document.</p>
February 2020	<p>Struck rules relating to emergencies which were superseded by separate publication of "Emergency procurement" business rule; approved by Management Council on 2019-10-29.</p>

VCCS Shared Services – Procure to Pay Business Rules



February 2020	Struck rules relating to transmission of purchase orders which were superseded by separate publication of "Purchase order transmission" business rule; approved by Management Council on 2019-10-29.
February 2020	Permitted the use of college PCard for conference registrations, membership fees, and individual and group travel; approved by Management Council on 2018-03-19
February 2020	Eliminated requirements to create eVA purchase orders for real estate leases; approved by Management Council on 2017-11-29.
February 2020	Eliminated requirement to create eVA purchase orders for public utilities and established new rules for the payment of utility invoices; approved by Management Council on 2017-11-29.
February 2020	Removed mandate to create blanket purchase orders for certain transactions and made the use of blanket purchase orders optional, limited to transactions meeting certain criteria; approved by Procure-to-Pay Process Council on or around 2017- 09- 11.
February 2020	Modified three-way match tolerance to permit payment of an invoice where the variance is a result of shipping costs, regardless of the amount of the variance; approved by Management Council on or around 2017-09-06.