

UNIVERSITY *of* HOUSTON
MANUAL OF ADMINISTRATIVE POLICIES AND PROCEDURES

SECTION: Procurement
AREA: On-Campus Purchases

Procedure: 04.03.01

SUBJECT: Service Center Requisitions

I. PURPOSE AND SCOPE

This procedure outlines the process to be followed when obtaining goods or services from service centers or auxiliary departments using the Service Center Requisition form (Addendum A).

II. DEFINITIONS

Definitions of relevant terms are included in the companion policy.

III. PROCEDURE

- A. It is the responsibility of all parties to the Service Center Requisition to ensure that the SCR complies with this policy and procedure and with any other pertinent University of Houston regulations. It is the responsibility of the requesting department to ensure that the Service Center Requisition is complete and properly documented and approved. It is the responsibility of the service center to ensure that all appropriate support documentation is attached to the SCR. It is the responsibility of any other approving department to ensure that the document is processed and approved in a timely and appropriate manner.
- B. A Service Center Requisition (SCR) serves as a request for goods or services, an invoice for those goods or services, and a mechanism for payment for the goods or services. The document may be initiated by the department requesting the goods and services, or may be prepared by the service center. In general, the requesting department shall provide a completed and approved SCR with description of the transaction, delivery, account to be charged (debit account) and subcode, and requesting and certifying signatures to the service center. While individual service centers may establish their own billing procedures, all such procedures must comply with this policy.

Note: Service centers may accept state funds (ledger 1) and local funds (ledgers 2 - 9) as payment. However, state accounting regulations prevent auxiliary units from accepting SCRs charged against state funds (ledger 1 accounts). When goods or services are requested from an auxiliary unit and payment must be made with state funds, a purchase voucher must be used (MAPP 04.01.03)

- C. Documentation supporting SCR charges (quotation, work request, stockroom receipt, etc.) must be attached to the original SCR form in those cases where the SCR alone does not provide adequate explanation of the transaction. If supporting documentation is provided, a summary description of goods or services, including the invoice, work order or stockroom receipt number is sufficient. Service centers must retain copies of supporting documentation as specified in the current University of Houston System Document Retention Schedule.

If supporting documentation is not provided with the SCR because the service center does not routinely generate separate documentation, a complete explanation of the nature of the transaction must be included on the face of the SCR. Abbreviated descriptions such as "monthly fee," "copy charges" or "supplies" are not acceptable unless supported by attached documentation.

All Service Center Requisitions must include a statement of purpose of the expenditure and the benefit to the university of the expenditure. SCRs for charges relating to public events, entertainment or other activities subject to any University of Houston travel and entertainment policy must include the dates of the event or expense, the number of attendees, and the names of the attendees, if 10 or fewer. If the attendees total more than 10, the SCR must include the names of the host(s) and guest(s) of honor and a description of the group.

- D. The SCR must be signed by the authorized certifying signatory for the department in the appropriate space ("Certifying Signature"), and the two-digit FRS code of the college or division must be provided in the same box. Alternately, the certifying signature may be present on an attached requisition or work order, provided that the actual billed amount does not exceed the authorized amount by more than 10 percent. The name of the individual responsible for requesting the goods or services must be printed or typed in the appropriate space, and that individual must sign the SCR before the document is presented to the service center. The same person may not serve as both certifying signature and requesting signature. Additional signatures and approvals may be required, depending on the specific transaction, in accordance with MAPP 05.02.01.
- E. An SCR prepared and submitted ahead of time as a request for goods or services totaling \$2,000.00 or more must be encumbered by the General Accounting Department. A service center may seek approval for exception to the encumbrance requirement for its billing process if SCRs are prepared as confirming documents after delivery of the goods or service. The exception must be approved by the Director of General Accounting, and the billing process is subject to periodic review for continued approval of the exception.

- F. The service center is responsible for obtaining verification or acknowledgment of the receipt of goods or services before the submission of the SCR to General Accounting. The acknowledgment may consist of an authorized signature in the "Received by" signature block of the SCR, or a properly completed and acknowledged receiving slip attached to the SCR. If an attachment is provided, then "See attached" should be noted in the "Received by" box. The receiving signature must be authorized by the requesting department and may not be provided by the service center.

IV. REVIEW AND RESPONSIBILITIES

Responsible Party: Associate Vice President, Finance

Review: Every three years, on or before September 1

V. APPROVAL

Linda Bright
Associate Vice President, Finance

Randy J. Harris
Vice President for Administration and Finance

Date of Approval: February 6, 1998

VI. REFERENCES

Addendum A - Service Center Requisition
Addendum B - Auxiliary Enterprise Departments
Addendum C - Authorized Service Centers
Addendum D - Descriptions of University Service Activities
Addendum E - Other General Information Regarding University Services and Transactions

Addendum B**Auxiliary Enterprise Departments**

Activities Funding Board
Athletics Department
Blaffer Gallery
Bookstore
Campus Activities
Career Planning and Placement
Center for Students with DisAbilities
Child Care Center
Copy Center
Council of Ethnic Organizations
Counseling and Testing
Cullen Performance Hall
Dean of Students
Forensics Program
Health Center and Pharmacy
Information Assistance Center
Intramurals
Learning Support Services
Metropolitan Volunteer Program
Orientation (Student)
Parking and Transportation
Program Council
Religion Center
Residential Life and Housing
Student Association
Student Handbook
Student Publications/Daily Cougar
Substance Abuse Education
The Houstonian
University Center
University Hilton Hotel
Vending Operations
Veterans' Services
Work Student Placement

Addendum C
Authorized Service Centers

<u>Service Center</u>	<u>Responsible Dept.</u>	<u>Service Provided</u>
Animal Care Services	Office Sponsored Programs	Keeping and raising animals for scientific experiments
Chemistry Service Facilities	Chemistry	Dept. GC/MS NMR, electronic shop, glass shop, machine shop, copy service, Macintosh laser writer, X-ray facility
CIRES-Computerized Info. Retrieval Services	Library	Computer searches
Computer Graphics Facility	Chemistry	Computer graphics
Computer Maint. Service	Telecom/CCSvcs	DEC Hardware maintenance
Construction Service	Physical Plant	Campus construction, remodeling
Cougar Byte Service	University Center	Microcomputer repair and consulting
E E Machine Shop	Electrical Engineering	Electrical machine service and repair
Energy Lab Convex Usage	Energy Lab	Convex-210 supercomputer time
EPSD-Safety Services	Env., Physical Safety	Hazardous waste, safety services to administrative departments
Hydrochem Lab	Geosciences	Geoscience hydrochemistry lab
ICP Spectrometer Lab	Geosciences	Inductively coupled plasma spectrometry lab
IT Microfiche Services	Telecom/CCSvcs	Current, existing microfiche services
Keck NMR Facility	Chemistry	Nuclear magnetic resonance equipment service
Kochi Misc. Equipment	Chemistry	GC/MS NMR, lab equipment Kochi lab
Library Photocopy	Library	Photocopying service
Physics Machine Shop	Physics	Service and repair of machines
Police Special Events	UH Police	Campus police serving special events
Postal Services	Postal Service	Prepaid postage for meters; bulk mail and special mailing

Printing Services	Printing Services Dept.	Printing and all graphics-related services
Publications Production	Institutional Advancement	Preparation of graphics and other media services for professional publications
Research Stockroom	Natural Sciences/Math	Resale of lab supplies and chemicals
Software Services	Telecom/CCSvcs	Site license services
Stable Isotope Lab	Geosciences	Provides stable isotopes for research
TCSUH Center Facilities	TCSUH	TCSUH facilities laboratory
Telecom Services	Telecom/CCSvcs	Recovered telephone common equipment, other services
University Media Services	Information Technology	Slide and photograph development, audio equipment rental, video recording, and other media services
University Stores	Physical Plant	Resale of office supplies and custodial and maintenance supplies

Addendum D**DESCRIPTIONS OF UNIVERSITY SERVICE ACTIVITIES**

A university department must acquire a variety of goods or services in order to fulfill its instructional, research or administrative responsibilities. Goods or services may be acquired from external vendors or from internal service centers. Likewise, university departments may provide services to external, as well as internal, customers.

The following are descriptions of university operations that generate the sale of goods or services to a variety of customers or users which could include other university departments, faculty, staff, students, or the general public. This policy provides for internal, non-cash payment for goods or services to the most common internal providers--auxiliary enterprise departments or service centers--through Service Center Requisitions. In cases where other types of service providers may provide goods or services to another university department, such transactions must be made using an Expenditure Reallocation or Correction (ERC) (MAPP 5.02.03).

Auxiliary Enterprises

An auxiliary enterprise is an entity which exists to furnish goods or services to students, faculty, or staff and which charges a fee that is directly related--though not necessarily equal--to the cost of the goods or services delivered, and which is managed as a self-supporting entity. The general public may incidentally be served in some auxiliary enterprises. Examples include residence halls, food services, student stores, student unions, vending machines, and intercollegiate athletics.

Auxiliary enterprises are related to the educational objectives of the university and contribute significantly to the achievement of those objectives. The specific functions performed by each auxiliary enterprise are determined by the university administration.

Auxiliary enterprises customers include: students, faculty, staff, university departments (with certain fund restrictions), and occasionally the general public.

Organized Activities Related to Educational Departments

These organizations are entities which exist to provide an instructional or laboratory experience for students and which incidentally create goods or services that may be sold on campus or to the general public. Included in this category may be optometry clinics, nursery schools, speech laboratories, demonstration schools, and college theaters. At the University of Houston, the Optometry Clinic is an organized activity operation.

Organized activities may provide by-products or services which are available for a charge to students, faculty, and staff, or to the general public.

Service Centers (also called Recharge Centers or Service Departments)

Service centers are units created to provide goods or services that may or may not be purchased from commercial sources, but are more economically and conveniently provided and can be better controlled by the institution. Service centers provide goods and services to university departments, rather than individuals, and are supported by recovering their expenses through charges to the departmental operating budget. A service center should serve a large segment of the university community. Examples are repair shops, glass-blowing shops, mailing services, printing shops, supply stores and audiovisual services.

Rates charged by a service center should reflect all operating costs, including salaries, wages, benefits, cost of materials and supplies, cost of physical facilities, depreciation, and a share of general and administrative expense. While service centers must be business-like operations, they may not make a profit or generate a surplus balance.

Sales and Services of Educational Departments

This category of operations includes revenues of educational departments from activities that are not conducted primarily for professional training of students. These activities may include special academic centers and programs, sales of publications, sale of class materials, sale of reference materials, film rental, testing services, departmental copy machines, and similar activities.

Customers of these activities may be students, faculty, staff, other departments, or the general public.

Addendum E**Other General Information Regarding
University Services and Transactions****Recording Sales, Cost Distributions, and Corrections**

With the exception of service centers, the university operations described may create sales to both internal and external customers. Sales to the general public, students, faculty, and staff will be cash sales. These sales will be recorded on a General Cash Receipt form and a deposit of cash receipts made through the Treasurer's Office in accordance with MAPP 5.01.01. This record should reflect the amount of sales tax collected and payable to the State Treasury.

Sales to other university departments, expenditure reallocations, and error corrections are recorded using a form of the Journal Voucher. This type of entry is referred to in the Financial Record System (FRS) as a 6X entry. This type entry records the amounts to be charged and the amount of income or recovered costs. There are several 6X entries with specialized formats.

Other Internal Activities

Error correction requests are to be used to correct errors related to the internal and external acquisition of goods or services. For payroll corrections, the Payroll Correction/Reallocation form should be used; for other corrections, the Expenditure Reallocation or Correction (ERC) form should generally be used, although a purchase voucher may be required when reallocations involve a state account. Such a request may be made whenever an accounting error is found in a departmental account. The department will initiate a request to the Associate Vice President for Finance's Office for correction using the specified form and evidenced by supporting data.

A reallocation of expenditure may be initiated by a department in order to properly allocate charges to user departments which have received goods. This entry will also record a credit to the appropriate account(s).

Special-Purpose Journal Voucher Formats

Specialized forms of the journal voucher have been developed for recording the non-cash transactions identified above. These forms are titled as follows:

Service Center Requisition (SCR)
Expenditure Reallocation or Correction (ERC)

Separate subordinate policies and procedures address the use of each of these forms.