

**PURCHASING DEPARTMENT
POLICIES & PROCEDURES**

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PURCHASING DEPARTMENT POLICIES & PROCEDURES

INTRODUCTION

These procedures have been prepared by the Purchasing Department to provide Mansfield University personnel with a reference guide to Purchasing policy and procedures.

The intent of this manual is to establish the effective policies for purchases in accordance with sound business practices and applicable laws of the State of Pennsylvania. It is also to make the task of requisitioning materials, supplies and contractual services easier. In addition, we have included information on how to obtain supplies from the Central Storeroom. Also included are numerous other facts and suggestions that we hope will make your workday a little easier.

Should you have any questions regarding any area of the manual, please contact the Purchasing Department.

PURCHASING OFFICE STAFF

Tammy Felondis Interim Director	Ext. 4890
Peggy Chapel, Purchasing Agent	Ext. 4148

STOREROOM STAFF

Ron Sherman, Inventory Control	Ext. 4910
Melissa Franck, Stock Clerk	Ext. 4161

MAIL ROOM STAFF

Edgard Domenech, Clerk III	Ext. 4950
Colleen Devine, Clerk II	Ext. 4950

NOTE: It is the responsibility of the manager of each cost center to ensure that the policies, procedures and guidelines in this manual are followed. Inaccurate and/or incomplete forms will be returned with no action taken.

ALL PURCHASES ARE TO BE MADE BY THE PURCHASING OFFICE. ONLY THE PURCHASING OFFICE MAY ISSUE PURCHASE ORDER NUMBERS AND/OR POS. EMPLOYEES MAKING CONTRACTUAL OBLIGATIONS, REAL OR IMPLIED, WITH ANY OUTSIDE SOURCE MAY BE HELD MONETARILY LIABLE FOR THEIR ACTIONS. FURTHER, ANY EMPLOYEE WHO MAKES AN UNAUTHORIZED COMMITMENT WITH ANY OUTSIDE SOURCE MAY BE HELD PERSONALLY LIABLE BY THAT VENDOR, PERFORMER, CONTRACTOR, ETC.....

PLANNING PURCHASES

The necessity to preplan supply, equipment, speaker and honorarium needs before you place your request cannot be over-emphasized. The time required to issue an order and secure delivery after receipt in the Purchasing Department of a properly prepared and approved requisition varies greatly. The bidding process usually takes from two days (bidding by phone) to fourteen days (bidding by mail). The workload at any given time within the Purchasing Department is also a factor. Delivery, however, will always depend on the supplier's stock and the problems they have producing or securing delivery from their suppliers.

See Attachment I "Purchasing Department Bid Requirements" for estimated timeframes for bidding/receiving of goods, services and construction projects.

PURCHASING OBJECTIVES

The purchasing objective is to provide procurement services for the support of all university activities. These services include providing goods and services at the best price possible in a timely manner. To achieve this objective we obtain phone quotes, written formal bids, prepare requests for proposals and arrange a walk through of projects with the participation of the departments.

In administrating contracts and construction contracts Purchasing will make sure that the prevailing wage rules and regulations are adhered to and Act 188 construction requirements may be fulfilled as prescribed by the policy of the Pennsylvania State System of Higher Education.

The Purchasing Department will actively search, pursue and develop responsible vendors with whom to do business consistent with the university's mission and goal. Business will be solicited from qualified Minority and Women Owned Business Enterprises within the Commonwealth and the other parts of the States.

BUSINESS RELATIONS (i. e. suppliers, vendors, and contractors)

The Purchasing Department has the responsibility of promoting the university's image and maintaining good relations with business firms through the application of sound, ethical business practices. All suppliers, vendors and contractors must be afforded fairness and economic opportunity through an open competitive procurement activity.

DEFINITIONS

The following are some of the abbreviations and definitions that will be used throughout the manual.

UNIT	Refers to a Department, Office, etc.....
PR	Purchase Requisition
PO	Purchase order
REQUESTOR	The Department preparing a PR
SPC	Service Purchase Contract
CCM	Cost Center Manager
FIXED ASSET	An item that exceeds \$5000 in value and has an estimated useful life in excess of two years.
CENTRAL STORE	An inventory of office supplies, forms, custodial and maintenance supplies, etc. that are purchased and maintained in Brooks maintenance.
BT	Budget Transfer
LEGAL	Indicates required approvals by University legal office and by the Attorney General of the Commonwealth.
DGS	Department of General Services
L & I	Department of Labor and Industry

BIDDING REQUIREMENTS

It is the policy of the university that all purchases will be made in a manner that will maximize the value received for the amount expended. Therefore, competitive bids will be solicited in accordance with the following:

1. Costs for a single item or a related series of items and for services with a dollar value **less than \$10,000** will not require competitive bidding (See #3 for exceptions). However, in order to obtain the best possible price, the purchasing staff will encourage departments to secure three or more competitive bids. The department may secure telephone, fax or written bids. A series purchase to avoid the dollar ceiling will not be allowed.
2. Costs for a single item or related series of items and for services with a dollar value of **\$5,000.00 to \$7,499 will require a minimum of three written quotes.**
3. Costs for a single item or a related series of items and for services with a dollar value of **\$7,500.00-\$9,999 must be bid unless prior approval is received from the Vice President of Administration & Finance.**
4. **All goods and services greater than or equal to \$10,000 must be bid.**

See Attachment I “Purchasing Department Bid Requirements” for estimated timeframes for bidding/receiving of goods, services and construction projects.

Exceptions to competitive bidding: If a vendor is on State Contract the bidding process is waived. A list of State Contracts can be found on the Dept. Of General Services Web Site. <http://www.dgs.state.pa.us>

Once you enter the web site click on “procurement information” then click on “view statewide contracts”. If you know the contract number you may enter the number. If you do not know the number you may enter the type of item you are searching for. For example, if you are interested in purchasing furniture, enter furniture in the contract description box a list of contracts will be displayed.

Proprietary Orders: (Sole Source & No Substitutes)

Procuring goods and services on proprietary bases is not allowed. The policy of competitive bidding restricts the solicitation of proprietary goods and services. Generally, claims by departments of proprietary rights, sole source provisions, and “no substitutes” requests can be challenged by purchasing and may even be rejected. In a rare case, a proprietary procurement may be allowed if it is necessary to acquire a specific brand to replace components of an existing machine. This will require a written justification with a rational explanation, and purchasing may seek legal counsel review before it accepts the justification. Otherwise, purchasing will assist departments in locating other sources.

PROCESSING REQUISITIONS FOR PURCHASE ORDERS

Any tangible product is considered to be a commodity and is acquired with a Purchase Order. When ordering such items a Purchase Requisition must be completed and entered into the Financial System. The following information should be completed when entering the data into the computer. **All requisitions for the purchase of goods that do not require bidding should be input by the department.**

When it is determined that goods or services are to be purchased, the **Purchase Requisition Form** should be prepared. This form is **available on-line on the Purchasing web page.** The following information must be included when entering the PR.

1. (a) Name, complete address of suggested vendor, and vendor number.
- (b) Department name
- (c) Indicate when needed if that date is important.
- (d) Complete description of the items (catalog number size, color, etc.) include either on the requisition or attachment any unusual or special comments or instructions.
- (e) Quantity needed (each, dozen, pound, Package, etc)
- (f) Unit cost of item
- (g) Account number of the Department to be charged.
- (h) Shipping and handling costs should be added to the PR. By including these costs, even if they are estimates, the encumbrance reports and final expenses to your account will be more accurate.

Copies of any preliminary correspondence, specifications, or any other pertinent information should be attached to the department copy of the requisition. The signed requisition must be retained by the department for auditing purposes.

Once the Requisition has been entered into the financial system, the Purchasing Department will review the requisition. If approved a PO will be initiated.

Responsibility Of The Budget Manager

1. Anyone in the department can complete a PR form. However, the PR will not be considered valid until the department manager or his designee has signed it; the department manager may designate this authority to the department secretary or another member of the department. PR's should only be prepared when the department manager verifies that there are available funds to support the purchase.
2. For the Purchasing Department to function effectively, the department must provide a complete and accurate description of the goods or services being requisitioned.
3. If the list of supplies or equipment is too long or complex to type on the requisition, make a separate list on a plain paper and type in the body of the requisition "See attached list of supplies or equipment."
4. The requisition submitted must allow the Purchasing Department sufficient time for processing, bidding, legal review and approval.
5. In the case of emergencies contact the Director of Purchasing for assistance. No verbal orders should be made.
6. If the funding for the request is external (Grants, Contracts, etc....) the budget manager must ensure the request is consistent with the conditions of the grant or contract.

PURCHASE ORDERS

After the purchase order has been approved, issued and accepted by the vendor (either by an acknowledgement, a partial shipment, or a passage of a reasonable amount of items) it becomes a contract binding to both parties. Purchasing will send two copies of the PO to the department; one copy is retained for the department and should be attached the Requisition. The other copy will be used as the receiving report and should be signed and sent to the Accounts Payable Office immediately after verification that the order is received complete, undamaged and as ordered. In the event you receive a partial order, make a copy of the receiving report and submit it to the Accounts Payable Office noting the items received. Write partial on the copy, and retain the receiving report until the entire order is received.

Prompt submittal of the receiving report is necessary to ensure that timely and accurate payments can be processed to university suppliers. Interest charges incurred for late payment to vendors, as a result of delay will be charged to the unit's budget.

The Accounts Payable Office will notify the cost center manager when an invoice exceeds the encumbrance by more than 10% (exclusive of shipping costs). A memo must be sent to Purchasing and a copy to Accounts Payable to increase the amount. The budget manager must take prompt action since any interest penalties incurred as a result of delay will be charged to the department.

Canceling or Modifying a Purchase Order

When it is deemed necessary to alter an open purchase order, contact the Purchasing Department immediately. Normally most changes are of a minor nature and can be made without any question or penalties being demanded by the vendor. It should be noted that such changes do require informing the vendor.

The cancellation of an open purchase order without just cause constitutes the breaking of a contract and requires the supplier's approval. If the supplier has incurred expenses regarding that order prior to the cancellation, a settlement for non-recoverable costs may be due to the supplier.

Any changes to a purchase order must be incorporated into the order by a "change order" initiated by the Purchasing Department. The changes should be confirmed in writing, justifying the reasons for the change.

SERVICE PURCHASE CONTRACTS (SPC'S)

Service Purchase Contracts must be completed when a department is contracting for “services”. Services are considered to be an intangible product such as speakers, honorariums, consultants, repairs or maintenance to equipment etc.

To initiate an SPC, a Purchase Requisition must be submitted to the Purchasing Department. The requisition must contain **DETAILED** information pertaining to the service being requested. (Dept. Name, Cost Center, Vendor name, Address, Phone #, SS# or Fed. ID #, Contact Person, Cost of the service, and a detailed description about the service to be provided). The Requisition must be signed by the Budget Manager or his/her designee.

All SPC's greater than or equal to \$1,500 will require university legal review and approval.

All SPC's **\$1,500 and over** must be approved by University Legal staff which may take up to **1 week**. SPC's greater than or equal to **\$20,000** also require approval of the Commonwealth Attorney General's Office which could take **up to 4 weeks**.

Legal approvals are in addition to the advertising and bidding time; all contracts and purchases with a value of **\$10,000 or more** **must be competitively bid**. The bidding process could take 4-6 weeks.

No commitments of any kind must be made prior to receiving legal approval. **After-the-fact requests and/or transactions will not be accepted; University Legal and the Attorney General will not approve after-the-fact purchases or contracts.**

SIGNATURE REQUIREMENTS

AUTHORITY

Under Pennsylvania Law, Act 188, the President and Council of Trustees have been empowered to make all necessary purchases to conduct the daily operations of the university. The President has delegated the purchasing responsibility to the Vice President of Finance and Administration. In turn, functional authority has been vested with the Purchasing Department. Therefore, in the interest of improving good purchasing practices all purchase orders, contracts and bids are administrated by the Purchasing Department. The following university employees are authorized to exercise presidential contracting officer authority under the provisions of Act 57 of 1998 and Board of Governors Policy 1994-04.

No other person or department has been given the authority to sign or enter into any contractual agreements on behalf of the university or any subdivision thereof.

Dr. Stephen Bronn, Vice President for Administration and Finance:	Unlimited
Tekeste B. Abraham, Director of Purchasing and Contract Specialist:	Less than \$100,000
Tammy M. Felondis, Interim Director of Purchasing and Contract Specialist:	Less than \$100,000
Margaret Chapel, Purchasing Agent:	Less than \$20,000

Approval of Purchase Requisitions

All Purchase Requisitions must be signed by the Budget Manager of the cost center being charged. Cabinet Member's & Budget Managers may delegate approval authority. It is the responsibility of the Cabinet Member or Budget Manager to monitor the signatory process. The Purchasing Department will not be responsible for monitoring who has been given authority to sign PR's. The Financial System will restrict input of PR's to only those individuals given access to assigned budgets.

OTHER PURCHASING SERVICES, POLICIES AND MISC. INFORMATION

ACCOUNTS PAYABLE

All invoices should be sent to the Accounts Payable Department immediately so as to avoid finance charges. The university is not exempt from paying finance charges for late or incorrect payment of invoices. It is important to meet the terms and conditions of payment required by vendors. The Purchasing Department can reject terms or conditions stipulated by vendors that cannot reasonably be fulfilled

ADVERSE INTEREST LAW

The Adverse Interest Law prohibits any Commonwealth employee (including SSHE employees) from contracting with the university or being an employee, stockholder, director or agent or any entity contracting with the university. Nevertheless, employee may enter into a contract with the university and/or be employed by such a contractor if the contracting employee and/or the employed person is not on the university payroll during the contract period. Under some circumstances a salary may be paid to Commonwealth employees. Contact Human Resource Office for detail.

AFFIRMATIVE ACTION - WBE, BBE, MBE: (WOMEN, BLACK AND MINORITY BUSINESS ENTERPRISES)

The Purchasing Department must insure compliance with bidding procedures that are a part of affirmative action rules and regulations. Departments are encouraged to do business with WBE, BBE, and MBE firms.

ALCOHOLIC BEVERAGES

Alcoholic beverages may not be purchased with public funds without proper authorization

ANIMALS

The purchase of animals for use in research or in teaching should be consistent with the National Institute of Health grant guideline to avoid cruelty to the animals.

BOOKSTORE PURCHASES

Departments who wish to purchase items sold in the Campus Bookstore for use by the department may use the University Purchasing Card or process a purchase order.

BUDGET TRANSFER

If there are insufficient funds to cover the value of a purchase requisition, the cost center manager must submit a budget transfer before processing the purchase requisition. Budget Transfer Forms are available on the Budget Planning Web Page.

COMPUTER PURCHASES

The Information Technology Department must be contacted with detailed information concerning all requests for the purchase of computers and computer software. All requisitions to purchase PC's must be processed by the Information Technology Department. The requisition will be processed in accordance with standard purchase order procedures.

CONFLICT OF INTEREST

Avoid even the appearance of a conflict, such as transaction involving friends, family connections and/or your personal investments. Also please avoid receiving gifts or presents from sales persons trying to sell you goods and services.

CONSULTANTS

Consultant contracts are those that provide services not generally available from employees of the university. The services provided are usually of a "one-time" nature and results or outcomes of the work to be performed may not be known in advance since they usually result in a report conveying advice or recommendations to meet university objectives. (i.e. performers and speakers are not consultants.)

Consultants are subject to specific regulations under the provisions of Act 188 and Board of Governors Policy. Upon receipt of a requisition, the Purchasing Department will prepare a consultant contract for signature by consulting firm/person with instruction that the signed contract is returned to the Purchasing Department.

COST CENTER CODES

The complete seven digit cost code must be used on all documents. The cost center code takes the following form:

e.g.

" XX-XXXXX "

DAMAGED SHIPMENT

When a damaged shipment is received, notify the Receiving Department immediately. If damage is not evident at the time of delivery to the Receiving Department, it is necessary to inform the carrier within fourteen (14) days of a damaged shipment so that an inspection report can be made.

It is extremely important that all containers, packaging material, wrappers, etc. be retained for the carrier's inspection. Failure to keep this material will, undoubtedly, void any chance of obtaining a claim. Central Receiving handles claims. Unless otherwise advised, the department will hold the damaged material (and all original packing and crating material) until inspection has been made and the claim filed.

DORM RESERVE

The SSHE Board of Governor's policy and Legislative Act 188 shall govern all purchases from the Dorm Reserve Fund. The Vice President for Student Affairs, or designee, must approve all requests from this fund. Purchase requisition must be sent to the Purchasing Office for input into the Dorm Reserve Accounting System. Purchasing will ensure that all appropriate policies and procedures are followed for purchases from this fund.

EMERGENCY PURCHASES

Purchasing Department recognizes the fact that on occasion an emergency or rush purchase for goods or services and contracts do happen. To facilitate this occurrence, a written policy exists in the case of construction work and will require for the department to follow the policy. Contract the Purchasing Department for the current policy

However, in cases other than maintenance, repairs and construction projects, a purchase order number will be given to department budget manager. It will require the manager to explain in writing the emergency and have facts and figures on hand, vendor's estimated price and verification of fund availability. Prompt submittal of approved requisition is essential so that it may be "walked through". Purchasing would rarely accept emergency purchase orders for general supplies. Proper planning eliminates many rush transactions, but real emergencies will be handled as expeditiously as possible.

EMPLOYER/EMPLOYEE & INDEPENDENT CONTRACTOR RELATIONSHIPS

The Internal Revenue Service (IRS) has indicated an interest in employer's contracting practices. Especially, the IRS discourages the treatment of employees as contractors in an effort to bypass employment regulations, social security, withholding etc.

An individual is considered an employee when they are subject to control by the employer as to when, where and how they work. According to the IRS, the employer need not actually exercise the control; it is sufficient that the employer have the right to do so. For further detail on this subject, please contact the Human Resources Department.

ENERGY STAR PROGRAM

This program enables consumers to identify energy efficient equipment designed to save money and reduce pollution by eliminating wasted energy. The University supports this program and requires that when purchasing equipment, energy efficiency should be taken into consideration. Energy efficiency should not be the sole factor in making a decision to purchase a particular piece of equipment but should be an element of the evaluation process. When items such as computers, printers, copiers, fax machines, motors etc. are being purchased, energy efficiency should be included in the evaluation matrix. You may visit the Energy Star government web site at www.energystar.gov to find a list of Energy Star approved equipment

EQUIPMENT REPAIRS

When you have a problem on equipment that needs repair, call the following departments.

- A. For problems/repairs on computers regarding hardware and software call the help line at ext. 4357.
- B. For typewriters call Ron Sherman, the Storeroom Clerk at extension 4910.
- C. For fax machines and other machines call the Purchasing Department at extension 4148.

Give the description of the equipment, model and serial number. Describe the trouble you are experiencing with the equipment, and give the name of the person in the department who the repairperson is to see. In an emergency the Inventory Control Person/Purchasing will

arrange for repairs to be done. The repairperson usually has a 4 to 6 hour calling period.

FACILITIES USAGE

All requests for use of facilities by external parties must be made through the Office of the Vice President of Finance and Administration.

FIXED ASSETS

The Inventory Control Department maintains the university's inventory of capital equipment and department managers are responsible for the safekeeping of inventoried items.

Items of equipment with tangible values that typically exceed \$5000 and have a useful life of 2 years or more are considered fixed assets and must be appraised and recorded on fixed asset inventories reports. These reports are subsequently recorded on the university's annual financial statements as assets. These records further serve a basis for control of the property, cost accounting, insurance replacement and proof of loss. The university has made substantial investment by purchasing such equipment and must safeguard its interest.

Central Receiving records new equipment as it is received. If you have equipment that is not tagged, please notify the Inventory Control Department at 4910. **Each department is responsible for reporting any changes or transfers from one area to another of equipment or furniture.**

FOOD

In some circumstances food may be purchased for official university events. Normally, meals for university employees are their personal responsibility. You should contact the Purchasing Department prior to purchasing any food items to determine if this is an allowable expense.

GRANTS (RESTRICTED FUNDS)

Grant funds are limited to a specific project or purpose under the category of "restricted funds". The use of this public fund does not relieve the university from legally mandated competitive bidding requirements. The State Attorney General's Office has interpreted SSHE's enabling legislation as not recognizing or accepting any proprietary, exclusive, or sole source award for purchase orders or contracts. Accordingly, requests for consultants, food service, conference facilities, or other goods or services that exceed prescribed dollar limits must be publicly bid by the Purchasing Department.

Therefore, all grant purchases made and/or authorized by the Project Director or principal investigator shall be made through the Purchasing Department in accordance with established policies and procedures.

GRAPHIC DESIGN/PRINTING

All requests for graphic design or printing of books, brochures, flyers, posters, business cards, stationery and virtually all types of publications and printing matter must be referred to the Director of Publications.

No "outside" printing requests will be processed by the Purchasing Department unless approved by the Publications Department. Printing of continuous forms, carbon interleaved snap forms, and diploma inserts do not require the approval of the Director of Publications. Although the graphic design of these materials does require approval. For further information on the above procedure, contact the Publications Office.

INSURANCE

Under Pennsylvania Law, the Department of General Services has sole authority to purchase insurance contracts. Consequently, no employee of the university should sign an agreement with an insurance carrier. Questions on insurance coverage may be referred to the Office of the Controller.

LEASING EQUIPMENT OR VEHICLES

Equipment or vehicles that are leased will be covered by a formal purchase order or contract. In the case of lease equipment, the department concerned must clearly mark the requisition "lease equipment" and specify or attach the lease document with the requisition. Prior to accepting lease agreements as submitted by the requisitioning department, the Purchasing Department should be consulted. The purpose of consultation is to determine the economic soundness of whether the goods should be leased or purchased.

OUTGOING SHIPMENTS

Central Receiving provides the following shipping services:

1. **UPS United Parcel Service** is the most economical shipping service. Packages must be well wrapped, must weigh less than 150 pounds, have a combined length and width of less than 108 inches, and must have a definite street address (no post office box number).
2. **Federal Express** is another economical shipping service. The Federal Express shipping box is located in the recreation center. The packages are picked up every afternoon between 4PM & 5PM.
3. **US Air Mail** is another economical shipping service. Airmail goes out through the Campus Mailroom.
4. **Warranty Repair:** Goods are shipped to outside sources for repair at no charge during warranty period. The department may be required to pay for shipping to and from the company.
5. **Non-Warranty Repair:** Goods, which are not under warranty, are shipped to outside sources for repair. The department is required to pay for all shipping charges and repair charges. Purchase order is sent along to cover any applicable charges.
6. **Warranty Replacement:** Defective goods are shipped to outside sources during warranty period for replacement at no charge. The department may be required to pay for shipping to and from the company.
7. **Credit or Refund:** Goods that do not meet the requirements of the owner are shipped to outside sources. The university may be required to pay shipping and restocking charges depending on circumstances. The company will then issue a refund or credit against the original invoice.
8. **Repair Estimate:** Non-warranty repairable merchandise is shipped to outside sources for an estimate of repair charges only. Once the estimate is determined and approved, purchase order will be processed to cover all applicable charges. The department is required to pay for both shipping and repair charges.
9. **Other Shipments:** Shipments, which require special handling or routine shipment not covered by the above, will vary depending on the circumstances. Receiving should be consulted in each situation. For pickup service, call the Inventory Clerk and be prepared to give a complete description of the item(s) to be shipped, including serial number, model number, the inventory tag number, and the purchase order or requisition number on which the material was originally received (if applicable). Nothing should be returned to a vendor without the authorization of the Purchasing Department.

OBJECT CODES

A complete list of object codes can be found on the Controllers Office web page. Documents submitted with inaccurate or missing object codes will delay the processing of requisitions and sometimes we may have to send them back to the department with no action taken.

PERSONAL PURCHASES

Because of the tax-exempt status of the university, the Purchasing Department cannot issue purchase orders for personal purchases. The Purchasing Department will be happy to suggest possible sources that may offer educational discounts. Vendors are under no obligation to offer discounts to individuals. Their offer does not place the Purchasing Department under any obligation to do business with them.

PREPAYMENT OF PURCHASES

Sometimes it is necessary to make prepayment for items or send the payment with the purchase order. This is true for U.S. Government documents from the Superintendent of Documents and for other purchases such as membership fees, registration fees, professional fees and subscriptions. In such cases you must submit the description of item required, price, catalog number (if applicable), and the exact name and address of the supplier. In the description of the requisition please write "Prepayment" and also attach any supporting evidence such as advertisement and invoices.

PUBLIC FUNDS

Public funds are those dollars that are spent from normal university departmental accounts. These dollars are products of public taxes, student fees and university revenues and as a result must be used with great care. Funds from grants or contracts with the Federal or State are also considered public funds. As a general rule, public funds may be used for necessary costs involved in carrying out the university's programs. Therefore, public funds cannot be used to purchase personal items.

RADIOACTIVE MATERIALS

No purchase order for radioactive materials and/or supplies may be processed without written directives from the department on the question of safety. The safety officer of the university should be involved before anyone is allowed to handle the material.

RECIPROCAL LIMITATIONS ACT

The Commonwealth of Pennsylvania has a Reciprocal Limitations Act that imposes procurement restrictions against those states, which have imposed restrictions against purchases from our state, or other states. For example: If a state prohibits the purchase of a specific product from any other state, Pennsylvania will prohibit the purchase of that same item from the state which imposes such restrictions. If a state gives their in-state vendors a preferred status (e.g. bid percentage allowance), Pennsylvania will reciprocate with a similar limitation against that state's bidders.

RECYCLED PRODUCTS

The Purchasing Department and the Physical Plant Department actively pursue the evaluation and acquisition of feasible recycled products for campus wide use. The Purchasing Office must insure compliance with prevailing regulations regarding recycled content of designated products, and will notify departments whenever their requisitions must be modified to satisfy such requirements.

RFP'S (PREPARATION OF RFP)

When a department plans to put together a request for proposal requesting professional contract and/or consulting services contact the Purchasing Department for procedures.

SAFETY

The public safety officer should review all security-safety related requests (such as fire alarms of special locking devices). The environmental health & safety officer should review hazardous material and general safety items.

SOURCE OF SUPPLY SELECTION

Only reputable suppliers will be utilized as sources of supply for the university's needs. Vendors are evaluated on responsiveness, courtesy, technical competence, reliability and ethics. The following list can provide sources for prospective suppliers:

- Thomas Register of American Manufactures
- National Directory of Address and Telephone Numbers.
- Regional Industrial Purchasing Guide
- Industry Associations
- Trade Associations
- Professional Associations
- Classified Telephone Directories
- Trade and product shows
- Manufacturers' Catalogs and Sales literature
- Marketing representatives
- Periodicals/Magazines
- Commonwealth Certified Minority & Woman Business Enterprise listing.
- National Minority Business Directory.

SURPLUS PROPERTY

The Inventory Control Department is solely responsible for the effective disposition of all inventory control surplus property.

Whenever a department has surplus equipment, material or supplies to dispose of, the department manager should place his request to the Inventory Control personnel at ext. 4910.

No credit is given to a department for any item declared to be surplus and no charge is made to a department receiving transferred surplus property. If, after investigation, there is found to be no other department interested in the property, it is disposed of in accordance with the State law. Surplus materials are sold by competitive bidding through public advertisement or public sale. In either case, a time, place, and location will specified where the public sale would be held.

The State Adverse Interest Law, **prohibits the sale of surplus property to any University employee**, and further prohibits the sale of its surplus property to other agency (SSHE or Commonwealth) employees when the value of the property is \$100 or greater.

TAXES

The university is exempt from all Pennsylvania sales tax except lodging. However, any contractor doing business with the university remains liable for the payment of sales and use tax on all materials and fixtures he/she purchases or uses for the purpose of fulfilling his/her contract, even though the work is being performed for a governmental instrumentality. The tax exemption form can be obtained from the Accounts Payable Office.

TECHNICAL STANDARD APPROVAL

At times there is a need to review and/or approve your product/service specifications prior to submission to purchasing. These offices may participate in the bid solicitation and review process as designated by the purchasing policy. Purchasing may seek the assistance of the following departments on technical/quality standards review:

- COPIERS:** The Printing Office must review all proposed purchases, leases, or service agreements for copiers.
- COMPUTING:** The Information Technology Department should review all requests for computing and telecommunication equipment to insure standards of quality, compatibility with existing system, and to determine which equipment and systems can best be supported by university resources regarding both the operation and maintenance support.
- ENGINEERING & MAINTENANCE:** The Director of Facilities and Planning needs to review all requests for heavy or oversized equipment to determine accessibility and structural floor load capacity; availability and practicality of utility connections; cost and feasibility of facility modifications, renovations or construction.

TRAVEL

Travel approval request and travel expense vouchers are processed in the Budget Planning Office. See the Budget Planning web page for details.

USED EQUIPMENT PURCHASES

Caution must be exercised when attempting to buy used furnishings, fixtures or equipment. Such transactions are subject to the same competitive bidding process as all other purchases. If competition does not exist, strong justification for proprietary (sole source) purchase must be made, and written third party appraisal may be required for high-value items.

VEHICLE PURCHASES

The purchase of motor vehicles should be referred to the Purchasing Department after it is reviewed by the Physical Plant Department. This office will help you in determining the availability of existing vehicles for use, assessment of minimum vehicle specification standards, and capability of the University vehicle maintenance garage to support the proposed vehicle you consider to purchase.

PURCHASING CARD POLICIES AND PROCEDURES **GUIDE FOR CARDHOLDERS**

A. General Overview

The Mansfield University Purchasing Card is an internationally accepted Visa credit card issued to authorized University personnel to be used for business purposes only. It is primarily designed for small dollar purchases of goods and supplies, and will eliminate the use of on-line requisition orders and purchase orders related to these items. The card may not be used for personal purposes or for payment of contracted services. Spending controls are determined individually for each card, ensuring that the card can only be used for specific purposes and within specific dollar amounts.

The benefits of the Purchasing Card program include:

1. Use of the card by department heads, departmental secretaries, and other authorized users expedites and simplifies the purchase of goods and supplies. It also allows departments greater flexibility in procuring needed items, especially from vendors that do not accept purchase orders. This procurement method compliments the University's existing Purchasing system for goods and supplies up to \$1,000, and can be used for any vendor that accepts Visa.
2. Use of the Card improves efficiency and reduces costs involved in small dollar purchases. It eliminates the need to enter and process requisitions, purchase orders, as well as the processing of individual invoices and vendor checks. The University receives one monthly invoice for all Purchasing Card charges.

B. Issuance of Purchasing Cards

1. The Purchasing Card program is administered by the Purchasing office, which will coordinate the issuance, maintenance, and cancellation of cards with the University's processor. Visa cards are provided with the MU logo and are typically issued in the name of the department. Each department card is assigned a per transaction dollar limit, typically \$1,000 but with higher levels for certain operations as appropriate. Monthly dollar limits are also established (\$3,000 or higher depending upon historical departmental expenditures).
2. Purchasing Cards are issued primarily to the departments. The head of the department may delegate use of the cards to departmental secretaries or other selected individuals in their areas. When transacting with the Purchasing card, the department personnel and faculty should always have their Mansfield University ID card. The departments **should not** allow students to use the Purchasing Card. The agreement with the provider does not include students using the credit card.
3. Cards will be issued to new cardholders only after they have received appropriate instruction and have signed a Purchasing Card Agreement Form stating that they have received training and are aware of Purchasing Card policies. If department heads further delegate authority to use a Purchasing Card to other individuals in the department, such individuals must also sign a Purchasing Card Acceptance Form and return it to the Purchasing office.

C. Cardholder Liability/Responsibility

1. Department heads are responsible for any Purchasing Cards issued to their department. They may delegate use of the card to departmental secretaries or other selected individuals within their department; however, the department head is ultimately responsible for all charges against the card.
2. Department heads and other designated cardholders are responsible for the proper use and safeguarding of the cards issued to them. They must maintain accurate records of all purchasing Card transactions, and promptly report any lost or stolen cards.
All purchases made with the card must be within the established budgets and comply with University policy.
Individuals will be personally liable for any unauthorized charges.
3. Department heads are responsible for reconciling individual transactions against monthly account statements and forwarding a copy of all documentation to the Accounts Payable Office on a timely basis (see Section F).
4. Intentional misuse of the Purchasing Card for other than official Mansfield University business is considered fraud and

may result in disciplinary action. The employee will also be personally liable for the total amount of any unauthorized purchases made in connection with the misuse.

D. Use of the Purchasing Card

1. Authorized cardholders may make purchases in person, or by phone, mail, or Internet. Any ordered items must be shipped directly to the department, not to the central receiving. Purchase of computers should be sent to central stores for fixed asset tagging.
2. Telephone, mail order, and Internet purchases should be made only from reputable merchants. Back orders should be avoided. Merchants should be asked for the total charge including any shipping and handling.
3. The cardholder must retain all receipts, receiving reports, delivery tickets, order forms, or other documentation supporting charges against the card. Vendors should be reminded to send any correspondence, receipts, etc., directly to the department. A departmental log of all Purchasing Card transactions should be maintained.
4. Mansfield University Purchasing cards are marked as tax exempt. **When making purchases, cardholders must inform merchants that the University is not subject to any state sales tax.** Any problems in this regard should be reported to the Purchasing Office. If upon reviewing receipts a cardholder determines that sales tax has been assessed, the cardholder should contact the vendor for credit.
5. Purchasing Cards **MAY BE USED** for:
 - Office, educational, and other operating supplies
 - Equipment, furniture, or furnishings up to \$1,000
 - Software up to \$1,000 (upon approval of the Technical Resources Dept.)
 - Maintenance, grounds, and custodial supplies (Facilities Management)
 - Library books and materials (Library)
6. Examples of items which **MAY NOT** be purchased with the Purchasing Card include:
 - Goods and supplies in excess of the cardholder transaction limits
 - Travel-related expenses such as hotel, transportation, and meals, which must be processed as usual on travel expense vouchers
 - Service of any type, such as consultants, honoraria, repair and maintenance services, etc. (due to contractual and tax reporting requirements)
 - Cash advances
 - Personal items
 - Gifts, prizes, flowers, alcohol
 - Entertaining guests, speakers, or recruitment of faculty/staff
7. Cardholders are not required to solicit competitive bids for their purchases. However, they should seek the best value for the University and ensure that the price paid is reasonable.
8. Each card is assigned a single transaction limit (\$1,000 unless otherwise approved). A single transaction may be comprised of multiple items, but the total amount of the transaction cannot exceed the cardholder's assigned limit. Each card is also assigned a monthly dollar limit, which may not be exceeded.
9. The Mansfield University Purchasing Card program includes the ability to designate where spending is allowed by utilizing merchant category code blocking. Vendors are assigned an industry-specific code, and certain codes have been blocked or restricted from Purchasing Card use. If a department experiences a card decline from a vendor, which provides eligible goods or supplies, the Purchasing Office should be notified.

E. Return of Goods/Purchases

Cardholders are responsible for all returns of goods. Returns will be credited to the cardholder's account. **Cash refunds are strictly prohibited.**

F. Monthly Statement Reconciliation Process

1. At the end of each month, the department head will receive an informational statement listing charges against the cardholder's account. Each department head is responsible for:
 - a. Reviewing and verifying the accuracy of all charges and reconciling between the statement and individual transaction documentation (receipts, delivery slips, logs, etc.).
 - b. Notifying the vendor of any discrepancies or erroneous charges listed on the statement (see Section G).
 - c. Approving and signing the monthly statement and forwarding a copy, together with receipts and other documentation for all charges to the Accounts Payable office by the 15th of each month.
2. This reconciliation is critical to ensuring that the correct amount is paid. Cardholders who fail to reconcile their accounts will have their Purchasing Cards cancelled.
3. The Accounts Payable Office will receive a monthly invoice listing all Purchasing Card transactions by departmental account. The Accounts Payable Office will pay the central invoice and post charges to the appropriate expense accounts. The expenditure posting will be to the Organization or Fund code. The Accounting Office will review monthly statements and contact departments for clarification if necessary.

G. Dispute Resolution

1. If a cardholder does not agree with a charge posted on a monthly statement, he/she should attempt to resolve the problem with the vendor. If the vendor agrees that an error has been made, the vendor will issue a credit to the cardholder's account. If the vendor does not agree, the cardholder should contact the provider's Customer Service Group immediately at 1-800-270-7760. The cardholder should also notify the Accounts Payable Office immediately of disputed charges. Cardholders should keep copies of all documentation dealing with disputed items until they are resolved.
2. If a purchase is found to be defective or incorrect, the cardholder is responsible for obtaining replacement, correction, or credit as soon as possible. If a merchant refuses to replace or correct the goods, or to offer a credit, the purchase is considered to be in dispute. **Then the cardholders should notify Purchasing Department for assistance.**

H. Lost or Stolen Cards

1. If a Purchasing Card is lost or stolen, the cardholder must immediately notify the Provider's 24-hour Commercial Customer Service Group at 1-800-270-7760. Access to the card will be immediately blocked. A new card will be issued. The Provider requires cardholders to submit written confirmation of verbally reported card cancellation requests.
2. The Purchasing Office should also be notified immediately of any lost or stolen cards.
3. Cardholders will not be responsible for any charges after the card is reported lost or stolen.

I. Exceptions

The Purchasing Department must approve any exception to this Purchasing Card policy.

ATTACHMENT I
PURCHASING DEPARTMENT
BID REQUIREMENTS

\$10,000 AND OVER:

We are required to obtain bids for goods (Purchase Orders- PO) and services (Service Purchase Contract -SPC) unless we can identify as "Sole Source" or "Emergency". This includes purchases of goods and services (PO's & SPC's) as well as construction projects. Request for Bids must be publicly advertised.

"Emergency" is granted **ONLY** when the health and welfare of people are involved. All Emergency" purchases must be approved by the VP of Administration & Finance prior to services/purchases being provided. If "sole source" is being requested, we must submit to the System Attorney for approval before we can process the contract.

NOTE: Construction Project bid requirements provide for annual adjustments to reflect the annual percentage change in the Composite Construction Cost Index. The maximum amount we can authorize for procurement on a no-bid basis for construction projects was increased to \$11,103.58 for 2001. NOTE: this increase applies for construction projects not maintenance projects.

UP TO AND INCLUDING \$9,999:

MU Policy requires us to obtain bids for goods and services in the following fashion:

Greater than or equal to \$7,500 but Less than \$10,000: Required to obtain bids unless the VP of Administration & Finance authorizes an exception.

\$5,000 to \$7,499: We are required to obtain written quotes (fax quotes are acceptable).

Less than \$5,000: We are encouraged to solicit quotes

** NOTE: The President, Vice President for Administration & Finance and the Director of Purchasing are the only representatives at Mansfield University authorized to sign University contracts.

LEGAL REVIEW REQUIREMENTS

We are required to obtain legal review for **SPC's** greater than \$1,500.

\$1,500 but less than \$20,000: Requires the review of our System Attorney: **This could take up to 1 week.**

Greater than \$19,999: Requires the review of our System Attorney and the Office of Attorney General: **This may take 30-60 days.**

SPC'S MUST BE PROCESSED PRIOR TO SERVICES BEING RENDERED. ANY SPC'S PROCESS "AFTER THE FACT" WILL NOT BE PROCESSED AND VENDOR WILL NOT BE PAID.

TIMELINE FOR BIDDING:

Purchase Order: 4 weeks

Purchasing prepares advertisement. **1 week**

Advertisement is placed in appropriate papers and sent to vendors on “bid list”; they have **2 weeks** to respond.

Once Bids are opened it could take up to **1 week** before vendor is selected.

Vendor is notified.

Service Purchase Contract: 4-13 weeks

Purchasing prepares advertisement. **1 week**

Advertisement is placed in appropriate papers and sent to vendors on “bid list”; they have **2 weeks** to respond.

Once Bids are opened it could take up to **1 week** before vendor is selected.

If an SPC is greater than \$1,500 System Legal Office must approve (**1 week**). If SPC is greater than \$20,000 must go to Attorney General as well. (**30-60 days**)

Once approved by legal vendor is notified.

Construction Contracts: 12-24 Weeks

Once we get the approval from Construction Support Office the following things must be done.

Evaluation of project, determination of prevailing wage and development of boilerplate is done by Purchasing. Bid document must be reviewed by System Construction Support office; we can't advertise project until approval is received from System Construction Support Office. **2-3 weeks**

Advertisement of project: **15-30 days**. Bid package available during this time.

Pre-Bid conference; **10 days** between pre-bid and bid opening

Bid Opening, evaluation of MBE/WBE requirements; **2 days**

Review of bid by construction staff or other appropriate individuals; **1-2 weeks**

Once contractor has been selected all bid information must be forwarded to System Construction Support Office for review; **1-2 weeks**.

Once approval received from System Construction Support Office, Contractor's Qualification Statement, & Rider F Contract Bond are mailed to contractor. Contractor must respond within **10 days**.

Once Bond & Qualification Statement are returned purchasing must review. If contractor is in good standing, notice of award and contract are sent to contractor. **1-2 weeks**

Once signed contract is returned, contract must go System Construction Support Office, University Legal, and Office of Attorney General if require; **6-8 weeks**.

Once approval received from University Legal and Attorney General **notice to proceed** is sent to contractor.