



Roosevelt University

Addendum to

Policy on Purchasing

Policy 6.4

Responsible Executive: VP for
Finance & Administration and
CFO

Originally Issued: 4-8-09

Effective date: 4-20-09

Reason for Policy

The November 2006 Policy on Woman- and Minority-Owned Vendors, and the February 2007 Policy on Purchasing address many, but not all, of the policy issues pertaining to procurement at Roosevelt. RU departments need clearer guidelines and thresholds provided, and the Office of Finance and Administration needs to convey more stringency regarding compliance.

Policy Statement

All purchases by Roosevelt University of \$500 or more (cumulative) in goods or services, including those which are repetitive and/or contracted items, require the use of a Purchase Order (PO). Vendors must obtain a valid Purchase Order issued by the Purchasing Department for all purchases of goods or services meeting the above criteria. Under this policy the University will not assume liability for invoices that do not reference a Purchase Order number.

By delegation of the President, the Chief Financial Officer is responsible for purchasing functions of the University. The Chief Financial Officer has designated the Associate Vice President of Administrative Services as the person responsible for the procurement of goods and services by the University. Therefore, the Purchasing Department has authority to assist and provide guidance to all University schools, colleges and departments in the acquisition of goods and services in accordance with University policies. Purchases for goods and services must be made in accordance with the policy set forth herein, and the procedures outlined in Appendices A and B.

The competitive bid process incorporates steps that generally will result in the best pricing and assist in achieving the University's non-discrimination policy and goals of community and disadvantaged business participation.

Only persons designated in writing by the Chief Financial Officer are authorized to commit the University to the purchase of goods and services; any express or implied commitment by other persons is unauthorized. The use of any form or contract to formalize a purchasing transaction without the approval of the Chief Financial Officer or his/her designee is prohibited.

The Chief Financial Officer reserves the right to review any acquisitions, commitments and/or contracts for all procurements.

Responsibility

The Associate Vice President for Administrative Services has the responsibility for maintaining a uniform set of procedures and forms to implement the bid, proposal, and quotation processes of the University. The Purchasing Department will make forms and detailed procedural requirements available on-line for reference and use by the University community.

Colleges and departments are responsible for communicating their requirements to the Purchasing Department by submission of a Purchase Requisition and/or a request for bid that includes detailed specifications and/or requirements.

Entities Affected by this Policy

All units of the University that engage in procurement activity.

Web Address

<http://www.roosevelt.edu/aboutru/policies.htm>

Related Documents

See also two policy documents listed above under “Reason for Policy.” They are posted on the RU intranet site at <http://intranet.roosevelt.edu/purchasing/default.htm> for internal users and the RU website at <http://www.roosevelt.edu/purchasing/default.htm> for potential vendors and the public.

Implementation

The Associate Vice President for Administrative Services, in cooperation with the Purchasing Specialist, is ultimately responsible for implementation and enforcement of this policy. Purchasing is responsible for providing ongoing training and resource assistance to departments in relation to this policy and previously existing policies.

Online Resources and Forms

This policy, as well as other purchasing policies and related documents and forms, can be found on the Purchasing intranet site at <http://intranet.roosevelt.edu/purchasing/default.htm> .

Addendum to Policy on Purchasing Appendix A

Definitions

Agreement/Contract – For purposes of this policy, any agreement that contains an exchange of promises, or undertakings between the University and another person or entity, relative to the University’s procurement of goods and services or the University’s disposal of University property, that binds or purports to bind the University and the other party to reasonably specific terms and conditions to be binding upon the University. All such contracts are subject to prior review and approval and execution by the Chief Financial Officer or his/her designee.

Authorized Signatory – Approval authority required to execute financial transaction forms (i.e. purchase requisition, etc.) prior to submission for processing. (See Appendix B)

Capital Expenditure Request– Orders which commit University capital funds.

Disadvantaged Business Enterprise (DBE) - Small businesses that are owned or controlled by a majority of persons, not limited to members of minority groups, who have been deprived of the opportunity to develop and maintain a competitive position in the economy because of social disadvantages

Minority or Woman Business Enterprise (MBE/WBE) – A business that is the sole proprietorship of a woman or minority, or a partnership, joint venture or corporation where at least 51% of the business interest is held by a woman or minority.

Responsive, Responsible Bidder - A firm that has adequately responded to a request and has demonstrated the ability to meet all aspects of the specifications for bid.

Sole Source – When a single resource of supply for an item/service exists.

Purchase Order Process – Self Service Banner

The University’s Banner system provides the mechanism for the tracking and control of Purchase Requisitions, Purchase Orders, Blanket Purchase Orders and the acceptance of goods, continuing through the three-way match process and Accounts Payable functions. The Self Service Banner system for finance, specifically its purchasing module, offers user-friendly tools useful for the budgeting, purchasing and payment processes. Purchase Requisitions originate in the requesting department, and are entered electronically onto the Self-Service Banner system. They proceed through a tiered electronic approval queue system, which is tied to the organization number and the signature authority level of each approver. Once the necessary approvals have been received, the Purchase Requisition is converted to a Purchase Order, which then

encumbers the funds, reserving them until the merchandise is received or the service is rendered. Once three-way matching is complete, the vendor's invoice is then paid with the encumbered funds.

Encumbrances remaining after a PO has been completed may be liquidated and thus returned to one's available funds. Conversely, if an invoice amount is higher than the original PO amount, a change order may be initiated prior to payment of the invoice, to increase the encumbrance amount. The Purchasing Department can assist with encumbrance liquidations and change orders; a written request from the Budget Administrator will be required.

Contracted Services and Recurring Vendors

Any contracts for services (whether one-time or ongoing) should be accompanied by a Purchase Order. In addition, for vendors from who RU orders merchandise frequently throughout the year, a "blanket" PO should be established early in the fiscal year with estimated spend for the year. Utilizing large PO's for these two types of vendor relationships will help ensure good financial planning by encumbering the funds in advance, and will also help reduce the steps required to pay vendor invoices as they come in throughout the year. (See paragraph above regarding over- or under-encumbering.) Check requisitions or small PO's for these vendors will no longer be needed or permitted. The following contracted services do not require a PO, however:

- On-Line Ordering Process. As on-line ordering is made available with certain contract vendors, the Purchasing Department will post those sites on the Purchasing website. User profile forms with appropriate signatory authority are required to access these sites. Once you have access to these sites, your orders may be placed directly with the contracted firm and a PO is not required.
- Office Supply Contract Process. The Purchasing Department has contracted with a specific office supply vendor for direct order placement by colleges and departments. The contracted firm is your primary source for office supplies. The contract allows for desk-top delivery, and stock items are shipped in 24 hours. On-line access for placing orders is available and is the recommended method for ordering office supplies. A PO is not required.

Exemptions to Purchase Order Requirement

- Procurement card (P-cards). Purchase Requisitions for less than \$500 will not be processed on POs; rather, departments should order and pay with a check requisition, or purchase the item and seek petty cash reimbursement. Departments needing to make several small purchases, purchases from vendors who do not accept POs (such as companies with web-based ordering), or on timelines not conducive to the use of a PO, should contact Purchasing to request issuance of a procurement card (p-card). The P-card is not intended to replace

master orders for frequently purchased like items from the same supplier. The P-Card may only be utilized for Travel by employee groups approved by the CFO.

Other methods of processing small dollar purchases include the following:

- Petty Cash Purchases - Cash purchases from an employee's personal funds are permitted following proper college or departmental approval for RU incurred business expenses. Single cash purchases are limited to a maximum of \$100.00. The purchases may include any expenditure except for honoraria, entertainment and food, or travel reimbursements. For cash reimbursements, present the original receipt(s) at the Cashier window in the Student Accounts area with the Petty Cash Voucher form containing the appropriate fund, account and org and the signature of the approving supervisor. (The form is available on the Controller's intranet site.)
- Check Requisition - Non-repetitive, non-contract items (excluding services) that do not exceed a total cost (including shipping and handling charges) of \$500.00. This includes non-employee payments for honoraria, lecture fees, consulting fees, or other tax reportable payments. A W-9 IRS Request for Payer Identification Number and Certification must be submitted with the Check Req before payment will be processed. See Forms on the Controller's Office intranet page for a copy of the check requisition form.

Special Review or Approval

These types of purchases may require special review and/or approval:

- Capital Purchases for Furniture, Plant and Equipment Process. Furniture, plant and equipment requests are to be submitted on a Purchase Requisition and will be reviewed by the Associate Vice President of Campus Planning and Operations to ensure proper capital budgeting and alignment with the University's capital, facility and equipment strategies.
- All technology purchases – regardless of funding source, be it departmental operating budget, special funds or grant funding - require a signoff from Information Technology Services. The purpose for this policy is to assure compatibility with the university's existing infrastructure and equipment; assure that equipment and software are supportable without additional Information Technology Services staffing or infrastructure; assure data security is accounted for if data transfer is involved; assure that all purchases take advantage of the best pricing available from preferred vendors; avoid duplication; assure that all licensing requirements are met; assure that established standards are adhered to; and in general, maximize the University's return on its technology investment.

Please note: Most of technology purchase requests receive the Information Technology Services signoff without any need for alteration.

State Sales Tax Exemption

Roosevelt University is exempt from payment of Retailer's Occupation Tax, the Service Occupation Tax (both state and local), the Use Tax and the Service Tax Use Tax in Illinois levied by the State of Illinois.

No sales tax should be charged on invoices to Roosevelt University, unless the purchase order specifies it is an item "Subject to Sales Tax." See Forms on the Controller's Office intranet page for a copy of the Illinois Sales Tax Exemption letter.

**Addendum to Policy on Purchasing
Appendix B**

**SIGNATURE AUTHORITY LEVELS for PURCHASE REQs
& POs, PER POSITION TITLE**

(prepared by Kim Gibson-Harman, 4-6-09)

<i>Signature Authority Dollar Limit>>>></i>	<i>\$1,000</i>	<i>\$2,000</i>	<i>\$5,000</i>	<i>\$25,000</i>	<i>No Limits (for their org#s)</i>
<i>Type of Unit (below)</i>					
<i>Academic Units</i>	<i>Department Chair Director Tech Svcs Librarian</i>	<i>Assistant Dean Assistant Provost</i>	<i>Associate Dean Associate Provost</i>	<i>Vice Provost Head Librarian Dean</i>	<i>President Provost</i>
<i>Non-Academic Units</i>	<i>Director Assistant Director Deputy Chf of Staff</i>	<i>Assistant VP Facility Manager Registrar Controller Exec Director</i>	<i>Associate VP</i>	<i>Assoc VP, Planning & Ops</i>	<i>President Chief of Staff Vice President CFO</i>

ALSO NOTE: All P-Req's \$2000-24,999 also go to AVP Finance for signature; P-Req's \$25,000+ go first to Purchasing Specialist to review, then to CFO. In addition, Senior Grant Accountant must approve all purchases using grant funds.