

NORTHWESTERN OKLAHOMA STATE UNIVERSITY

GUIDE TO PURCHASING

PURCHASING LEVELS AND APPROVALS

Dollar Level of Purchases	Requirements
Does not exceed \$200	Small Order requisition does not require prior approval by the Vice President for Administration (not valid for professional or personal service, postage, or travel reimbursements)
\$200.01 - \$7,500	Requisition form prepared and forwarded to the Vice President for Administration for approval before ordering. Approval date must be before or concurrent with the order date.
\$7,500.01 - \$25,000	Requisition form plus quotation sheet (minimum of three quotes) unless State contract or consortium contract pricing.
\$25,000.01 and above	Competitive bid by Purchasing unless at or below State or consortium contract pricing. Purchase also must be reported to the Regional University System of Oklahoma at their monthly meeting.
Over \$100,000 Approval	Requires prior approval by the Regional University System of Oklahoma.

Professional or personal service contracts are required for speakers, honorarium and other personal service items.

Oklahoma is governed by public use law that disallows the use of public monies for personal items and other items not directly related to the mission of the University.

Please contact Pam Gale, Administrative Assistant to the Vice President for Administration, at 8535 if you have any questions or need additional information.

NORTHWESTERN OKLAHOMA STATE UNIVERSITY POLICY STATEMENT

PURCHASING PROCEDURE

SECTION I PURPOSE

The purpose of this document is to establish a procedure to follow in purchasing and procuring materials, services, and equipment by/for Northwestern Oklahoma State University.

SECTION II GENERAL

The purchasing procedures of the University follow the guidelines of the Regional University System of Oklahoma, the Oklahoma State Regents for Higher Education, the Office of State Finance, and Oklahoma Statutes. The intent of these procedures is to insure that all purchases are made in the most effective and efficient manner possible. Maximum use will be made of the State Central Purchasing Office, local bids, and negotiation with possible vendors by university agents. University procedures will necessitate early anticipation of needs in order not to delay acquisitions. Certain administrative procedures must be accomplished prior to making a purchase. These procedures must be followed by all personnel. No funds will be obligated prior to official approval. Department heads/supervisors (hereafter called budget administrators) who have not received the file copies of their requisitions by the fifth working day after delivery to Purchasing should contact the Purchasing Clerk to ascertain action being taken.

No major purchases from departmental budgets will be made after June 10 unless considered to be of an emergency nature. The Vice President for Administration may choose an earlier date for purchase cutoff depending on budget circumstances.

SECTION III USE OF STATE CENTRAL PURCHASING (STATE CONTRACTS)

The Office of State Central Purchasing has obtained bids on many items required for operation of the University. For such items, it will not be necessary to take additional bids locally, except when more competitive pricing can be obtained by other industry sources. The Office of State Central Purchasing will be used in the acquisition of purchases of \$7,500 or more if the pricing on state contracts remains competitive and meets quality assurances. State contracts can be found at www.dcs.state.ok.us/okdcs.nsf.

SECTION IV OBTAINING BIDS OR QUOTES

Except for ASA operations, it is the policy of Northwestern Oklahoma State University to obtain quotes for single purchases between \$7,500 and \$25,000. For these items, the budget administrator must obtain quotes from at least three vendors. A quote tabulation sheet (see Exhibit 1) should then accompany the purchase requisition when it is sent to Purchasing. The Vice President for Administration may override quote limits. A purchase in excess of \$25,000 must be

bid unless purchased at or below the current pricing of: a state or federal contract; a state or federal governmental entity contract; an existing contract awarded by a state college or university, or an educational purchasing consortium contract. Professional services and sole source items are not required to be bid. Exceptions to the bid policy are:

1. Emergency purchases in excess of the limitations may be authorized by the university President upon the authorization of the Chair of the Board and shall be ratified by the Board at the next Board meeting.
2. Library books and materials, utilities, 700 series fund or agency special account operations, university memberships, professional services not exceeding \$100,000, State Risk Management premiums, aircraft and aircraft related parts, livestock, and other items specifically identified and authorized by the Board.

Bids for any purchase in the amount of \$25,000 or more requiring Performance or Statutory Bonds must be opened in the presence of a member of the Regional University System of Oklahoma unless the bid was accomplished by the Office of State Central Purchasing. Requisitions will not be split in order to decrease the amount of the purchase to an amount small enough to fit into one of the previously stated categories. This practice is prohibited by state law and is a felony when done to evade the bidding process. All purchases exceeding \$25,000 must be reported to the Regional University System of Oklahoma. A purchase in excess of \$100,000 must have prior approval of the Board.

It is the responsibility of the user department to include a complete list of specifications in requisitions requiring bids. An invitation to bid form (see exhibit 2) must be completed by the budget administrator and sent to Purchasing along with the names and addresses of at least three vendors to whom the invitations should be sent. Specifications shall include color, size, electrical voltage and any other item peculiar to the supply or equipment desired. The user must be able to describe the item in such a way to insure receiving an item of the quality desired. Once the sealed bids have been received and opened in Purchasing, the budget administrator will be notified so that he/she can complete a purchase requisition.

SECTION V RESTRICTED PURCHASES

The following list itemizes purchases which may not be made with University funds or which have certain restrictions:

1. **Printing:** All University accounts may utilize the services offered by Printing Services. Printing needs that are taken off campus for processing must receive prior approval of the Coordinator of Printing Services.
2. **Computer hardware and software:** These purchases must be coordinated through Information Technology.
3. **Food:** Education and general accounts may not purchase food items except to support lab or classroom functions or when documented grant stipulations indicate food purchases are appropriate.

4. **Awards and gifts:** These items cannot be purchased from education and general accounts.
5. **Prepayments:** Prepayments for goods and services cannot be made.
6. **Bookstore:** All University accounts may utilize the services offered by the bookstore.

SECTION VI PROCUREMENT THROUGH STATE SURPLUS PROPERTY

The Oklahoma State Surplus Property Office is a source of supplies and equipment released by the military services. The use of this office is encouraged in obtaining available items needed by department of Northwestern. Those items can be purchased at a substantial savings.

SECTION VII CLAIMS AGAINST VENDORS

If any item received from a vendor is questionable as to quality or quantity, the budget administrator should inform Purchasing immediately so that appropriate action can be taken.

SECTION VIII REQUISITION SUBMISSION

Each department at Northwestern Oklahoma State University has a budget that allocates an amount that may be expended. Any expenditure of University funds or Federal Program funds being administered by the University in excess of \$25,000 must be reported to the Regional University System of Oklahoma. A purchase in excess of \$100,000 must have prior approval by the Board. The value of a purchase equals the cost of an individual item or the cost of a bulk purchase of similar items from a given vendor. The following procedure is to be followed in requesting to expend University funds.

1. All personnel who have a need for an item must present a request to the budget administrator for that department.
2. If approved by the budget administrator a requisition (exhibit 3) is to be prepared giving all required information, including costs. If the exact costs are not known, an estimated total cost should be entered on the requisition. This is especially important in the case of repairs to equipment. An estimated or "not to exceed" cost should be entered. The requisition is to be typed and double-spaced. (The requisition form is a dual-purpose form that may be used as the official purchase order; therefore, it should be neatly typed.) All requisitions **MUST** be signed by the budget administrator and the dean for the school as is appropriate. This is most important due to departmental budget limitations.
3. Three copies of the completed requisition (original, and two copies) should be delivered to Purchasing. Copy number three will be returned to the budget Administrator after action has been taken.

4. Incoming requisitions will be reviewed for completeness.
5. In cases where funds are not available, budget administrators will be notified. (Budget administrators should check with Purchasing if it is believed a posting error exists.) If the records are correct, no purchase will be authorized unless additional funds are allocated. Purchase orders will not be validated by Purchasing until funds are available or until otherwise approved.
6. Purchasing personnel will determine the proper method to make the purchase and complete the order. Northwestern Oklahoma State University employees are not authorized to make expenditure commitments prior to property authorization. Invoices will not be paid without proper authorization.
7. Telephone calls or letters to vendors, made by or authorized by budget administrators, should specify that no shipment is to be made until a purchase order is issued.
8. When a purchase order is furnished to the vendor, the materials, service, or equipment may be procured. **NO PURCHASE IS AUTHORIZED WITHOUT A PURCHASE ORDER PROPERLY VALIDATED BY PURCHASING.** Emergency telephone order approval may be granted by the Vice President for Administration if deemed appropriate. The Vice President for Administration will determine whether written orders must be processed in order to comply with proper funding requirements.
9. If a purchase order is canceled because the goods are not available or for any other valid reason, Purchasing should be notified immediately so that the encumbered funds can be released back to the department's budget.

SECTION IX PURCHASES FOR FEDERAL PROGRAMS

Administrators of federally supported programs sponsored by Northwestern Oklahoma State University departments shall abide by the same regulations as University departments. Program directors are directly responsible for proper expenditures for funds as authorized in the approved budget and permitted in the program regulations and guidelines. Purchasing procedures for federal programs will be the same as those of the University and/or any other compliance directives pertaining to the specific programs.

SECTION X PURCHASE FOR AGENCY PROGRAMS - FUND 705

Purchase of materials, equipment, and contract services for programs budgeted in Agency Accounts Fund 705 will be made in accordance with the policies of the Regional University System of Oklahoma.

SECTION XI INVOICES

After the materials, equipment, or services have been received, the vendor should forward an invoice to Purchasing. When invoices have been received, the following action will be taken:

1. The invoice will be checked to ascertain that the date of the invoice is not prior to the date of the purchase order. Purchases made prior to issuance of the purchase order are prohibited.
2. The invoice will be compared with the purchase order to see that items billed were actually requested.
3. Budget administrators will be given a written notice to come to Purchasing to approve invoices. They will certify receipt by signing the invoice. The budget administrator's signature will verify that the item(s) is/are satisfactory and that payment may be made. In the absence of the appropriate administrator, the Vice President for Administration may approve an invoice for payment.
4. Invoices containing charges to more than one department may be approved for payment by the Vice President for Administration and the appropriate University personnel will be notified of the charges made against their budgets.
5. Invoices will be furnished to the paying agent for issuance of an appropriate check or for preparation of a claim after the invoice has been approved for payment.

SMALL ORDER SYSTEM

SECTION I PURPOSE

The small order system is designed to allow individual departments the authority to purchase items costing less than \$200 without prior approval of the Vice President for Administration.

SECTION II GUIDELINES FOR USE

Small orders may be used to purchase items that do not exceed \$200. Expenditures may not be for **personal services, travel, professional services, or for any items prohibited under the general purchasing procedures.**

1. Personal services are defined to include all elements of compensation (salary, retirement, insurance, etc.) paid to an employee of the institution and all payments for personal services paid to nonemployees of the institution.
2. Travel reimbursements are defined to include all items of travel costs that would ordinarily be paid on a travel claim form. This includes registrations.
3. Professional services are defined to include those services within the scope of the practice of architecture, engineering, law, accounting, medicine, or other such services licensed by the State.
4. Postage is defined to include metered postage and postage stamps except for postage due.

SECTION III SMALL ORDER PROCEDURES

Two-part small order forms (exhibit 4) are available in Purchasing and the Business Office. The following procedure is to be followed in using the Small Order System:

1. The department selects a vendor who will supply the item or service at a reasonable cost. If assistance in selecting the vendor would be helpful, contact Purchasing.
2. Each authorized department will be issued blocks of unique, sequential authorization numbers. These numbers along with the department copy of the claim order form will help to ensure appropriate tracking of activity against each department budget.
3. The small order form should be completed giving all required information, including costs. All small orders must be signed by the budget administrator.
4. The original small order form should be sent or taken to the vendor so that the order may be filled. The copy should be retained by the budget administrator.

After the goods or services are received, the original copy of the invoice should be forwarded directly to Purchasing. The following requirements are set forth:

1. All extensions and footings must be checked.
2. Vendor name and address should be legible.
3. The following information must be legibly noted on the front of the invoice.
 - a. The invoice must be signed by the budget administrator.
 - b. The invoice must contain the department name and the Federal Employer Identification Number (FEI) of the vendor (if not already on file).
 - c. The invoice must have as a reference number a small order number from your assigned series.

Small order items will not be encumbered against your budget. Items will show on budget detail only as invoices are paid.

A post audit of selected accounts will be made to ensure that all departments understand and are following the small order guidelines.

Splitting an order into two parts in order to process an item as a small order is not allowable and will cause removal of a department from the system.