

JACKSONVILLE STATE UNIVERSITY
Manual of Policies and Procedures

POLICY NO.: IV:03:01

DATE: May 1, 1987

REVIEW/REVISION DATES: April, 1993; June, 2003; Mar, 2004, Sept 2008, Aug 2011, Jan 2013, Jan 2015, July 2016, Sept 2017, July 2018

SUBJECT: Purchasing Guidelines and Procedures

APPROVED: John M. Beehler, President

PURPOSE

This policy establishes and documents University guidelines concerning the purchasing of goods and services.

POLICY

The Office of Procurement & Fixed Assets has the responsibility for purchasing all supplies, equipment, repairs of equipment/buildings, and services needed by the various departments of Jacksonville State University. The purchasing process is regulated by the State of Alabama Competitive Bid Law, along with other applicable state statutes and regulations, by governing board policies, and by University policy. Within these constraints, every effort is made by the Office of Procurement & Fixed Assets to expeditiously and efficiently accommodate the procurement needs of the University. Only the Office of Procurement & Fixed Assets is authorized to make commitments for supplies, equipment, and services necessary for the operation of the University, with the exception of a limited number of employees issued a Purchase Card, with permission to make small purchases from a limited merchant list. (Reference Purchase Card Policy IV:03:11 for more information). Commitments are made in accordance with University Policies and Procedures. Jacksonville State University **is not** responsible for purchases or contracts approved by an individual except as authorized by:

- (1) The President of the University;
- (2) The Vice President for Finance & Administration of the University;
- (3) The Director of Procurement & Fixed Assets for the University.

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Only the individuals in the positions listed above are authorized to sign contracts for the University.

To insure that contracts are both legally and financially viable, any agreement / understanding / contract **must be** routed in the following manner:

- (1) Director/Vice President of the requesting division/department.
- (2) University Counsel for legal vetting and approval.
- (3) Vice President for Finance & Administration for financial vetting and approval.
- (4) President and/or Board of Trustees as appropriate for final University approval.

The University will assume **no liability** for the payment of purchases except those made through approved purchasing procedures.

PURCHASE REQUISITIONS

All requests for services and supplies must be submitted using the purchase requisition form in the Banner system and must be approved electronically by the budget manager. Screenshot of requisition in Banner:

The screenshot shows the Banner Requisition form with the following fields and values:

- Transaction Date: 13 JUL 2018
- Delivery Date: 13 JUL 2018
- Vendor ID: [Empty]
- Address Type: [Empty]
- Vendor Contact: [Empty]
- Requestor Name: Nelson Skip Clark
- Requestor E-mail: [Empty]
- Requestor Phone: [Empty]
- Requestor Fax: [Empty]
- Chart of Accounts: [Empty]
- Currency Code: None
- Ship Code: INTAUD
- Attention To: James Brigham

| Item | Commodity Code | Commodity Description | U./YR | Quantity | Unit Price | Discount Amount | Additional Amount |
|------|----------------|-----------------------|-------|----------|------------|-----------------|-------------------|
| 1 | | | None | | | | |
| 2 | | | None | | | | |
| 3 | | | None | | | | |
| 4 | | | None | | | | |
| 5 | | | None | | | | |

Instructions for entering and approving purchase requisitions in the Banner system can be found in the "Banner Finance Manual" that is issued by the Division of Finance & Administration. A full description of each item to be purchased should be included, as well as dates for items such as subscriptions or rentals. Requisitions should be entered and approved far enough in advance to allow sufficient time for review in the Office of Procurement & Fixed Assets. Requisition numbers are assigned electronically when a requisition has been completed. The budget manager will review requisitions and approve/disapprove online. When requisitions have been approved by the budget manager, they are automatically transmitted to the Office of Procurement and Fixed Assets. After the purchase has been reviewed and all required documentation received, a purchase order will be issued. Usually, purchase orders are issued within two business days of budget manager approval and receipt of required documentation.

A purchase should not be made until a purchase order has been issued and signed by the Director of Procurement & Fixed Assets, or designee. When a purchase order is issued, copies are distributed as follows:

- (1) One original sent to vendor as an order
- (2) One file copy to Accounts Payable
- (3) One receiving copy sent to originating department (NOTE: Upon the complete receipt of goods or services, this copy should be signed by the budget manager, dated, and sent to Accounts Payable.)

PURCHASES REQUIRING ADDITIONAL DOCUMENTATION

- (1) Computer hardware (systems, mobile devices, peripherals) and software purchases with an individual item cost of \$500 or more require a Request to Purchase Computer Hardware / Software form (CAQ:01:R4). This form must be completed and approved by the budget manager and the Chief Information Officer. The form can be accessed from the Procurement and Fixed Assets website at this link: [Request to Purchase Computer Hardware / Software form](#).

JACKSONVILLE STATE UNIVERSITY
REQUEST FOR APPROVAL TO PURCHASE COMPUTER HARDWARE AND SOFTWARE
Applies to ALL COMPUTER SYSTEMS / DEVICE PURCHASES, regardless of price
Applies to PERIPHERALS AND SOFTWARE PURCHASES OVER \$500
FORM CAQ 01 R4

Click to Reset Form and Erase All Text

REQUISITION NUMBER: _____ REQUEST DATE: _____

TO: Department of Information Technology. FROM (DEPARTMENT) _____ CONTACT NAME / EXTENSION _____
USER NAME, LOCATION, AND PHONE NUMBER _____

| LIST QUANTITY, ITEM, DESCRIPTION, AND COST OF HARDWARE SOFTWARE | | | | | |
|---|------|-------------|----------------|------------|--------------|
| QTY | ITEM | DESCRIPTION | QUOTE NUMBER * | UNIT PRICE | TOTAL PRICE |
| | | | | | |
| | | | | | |
| | | | | | |
| SOURCE OF FUNDS: | | | | | TOTAL AMOUNT |

* Copy of quote must be attached

SOURCE OF HARDWARE/SOFTWARE: _____ JUSTIFICATION _____
WHY IS THIS PURCHASE NEEDED? (ATTACH ADDITIONAL SHEETS IF NECESSARY): _____

IS THIS PURCHASE TO BE USED WITH EXISTING HARDWARE/SOFTWARE? NO YES

DESCRIBE: _____

IS SERVICE AND MAINTENANCE AVAILABLE? NO YES

WHERE? _____

ARE DEPARTMENTAL FUNDS AVAILABLE FOR THIS PURCHASE AND MAINTENANCE? NO YES

OTHER COMMENTS TO BE CONSIDERED: _____

| | | | | |
|-----------------|----------|-------------|------|------|
| RECOMMENDATION: | APPROVED | DISAPPROVED | NAME | DATE |
| DEPARTMENT HEAD | () () | | | |
| DEAN / DIRECTOR | () () | | | |

| | | | | |
|-------------------------------|----------|-------------|------|------|
| RECOMMENDATION: | APPROVED | DISAPPROVED | NAME | DATE |
| Chief Information Officer, IT | () () | | | |

COMMENTS: _____

- (2) Purchases for food or beverages must include the Request for Meal Purchase ([Form #22](#)).

Request for Meal Purchase

Date/Time/Location of Event: _____

Business Purpose of Event:

Requisition # _____ Vendor Name _____ Vendor Banner Number _____

Banner Budget Number: _____

Listing of Attendees
 (For more than two JSU employees, attach justification from the budget manager below.)

| Name | Relationship to JSU |
|------|---------------------|
| | |
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| | |

Please attach justification from budget manager, if required. Choose File No file chosen
(File size 20 KB, not all file types are supported)

Detailed Business Purpose of Event:

Attach Event Agenda: Choose File No file chosen
(File size 20 KB, not all file types are supported)

Please enter the Budget Manager's Name and JSU E-Mail Address:

Budget Manager First Name: _____ Budget Manager Last Name: _____ Budget Manager JSU E-Mail Address: _____

Budget Manager: select level of account:

- (3) More information on meal/beverage purchases is provided in [Policy IV:03:05](#). **Request for Meal Purchase forms must be received in the Office of Procurement & Fixed Assets at least one week prior to the event.**
- (4) Requisitions that reference another document, such as a quote or a listing, cannot be processed until the referenced document is received in the Office of Procurement & Fixed Assets
- (5) Purchases for airline tickets, conference registrations or any other purchase that involves out-of-state, international, or in-state exceptions travel must include, as part of purchase documentation, a copy of an approved Request for Travel Authorization (Form 19: [Form](#)) for any employee traveling on University business.
- (6) Purchases that require pre-payment must include an original invoice and one (1) copy of the invoice in order to be processed.

PURCHASING WITH FEDERAL FUNDS

Purchases using federal funds must adhere to regulations found in the Office of Management and Budget (OMB) Uniform Guidance sections 200.317-200.326. These regulations explain administrative requirements for colleges, universities, hospitals, and other non-profit organizations with federally funded grants and agreements. OMB Uniform Guidance identifies required procurement standards.

All purchases made with federal funds must be reviewed for compliance with the OMB Uniform Guidance by the Sponsored Programs Accountant prior to issuance of the purchase order. The Purchasing Department is required to retain back-up documentation, such as bids, quotes, and cost/price analyses, on file for federal auditors.

If Federal Funds are being used, JSU will follow the small purchase procedures for securing services, supplies, or other property that do not cost more than the Simplified Acquisition Threshold defined by FAR 48 CFR 2.1. The current Simplified Acquisition Threshold is \$150,000. If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources. (2 CFR 200.320 (b)).

Equipment and other Capital Expenditures with Federal Funds

Per OMB Uniform Guidance section 200.349, capital expenditures for general purpose equipment, buildings, and land are unallowable as direct charges, except with prior written approval of the federal awarding agency or pass-through entity.

Per OMB Uniform Guidance section 200.349, capital expenditures for special purpose equipment are allowable as direct costs, provided that items with a unit cost of \$5,000 or more have the prior written approval of the federal awarding agency or pass-through entity.

AMENDMENTS TO PURCHASE ORDERS

Once a purchase order is issued, new items cannot be added to the purchase order. A variance in price up to 10%, not to exceed \$25, per order may be processed without a purchase order amendment. Price increases that exceed \$25 will require a completed amendment form approved by the Budget Manager and submitted with the receiving copy to Accounts Payable. The Purchase Order Amendment form ([Form #50](#)), available on the Office of Procurement & Fixed Assets website) should be completed including the purchase order number, the FOAP, and the description, price, and quantity of the item to be changed.

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JACKSONVILLE STATE UNIVERSITY
PURCHASE ORDER AMENDMENT

PURCHASE ORDER NUMBER: _____
CHANGE TOTAL AMOUNT TO: _____
FROM: _____

Budget Manager's Signature Date

Detail Items To Be Amended Below:

| Item Quantity | Description | Unit Price | Total Price |
|------------------|-------------|---------------|----------------|
| | | | |
| | | | |
| | | | |

Amendments must be original documents. Copies or faxes will not be accepted.

CANCELLATION OF A PURCHASE ORDER

A purchase order is a contract to do business under certain terms and conditions. If the conditions or terms change, the vendor and the requesting department may agree that the contract is to be cancelled. If the budget manager chooses to cancel a purchase order, the receiving copy of the purchase order should be marked "CANCEL" and be signed by the budget manager and forwarded to the Office of Procurement & Fixed Assets.

OPEN PURCHASE ORDERS

Open purchase orders may be placed periodically covering any period of time within a fiscal year, not to exceed twelve (12) months for items of a continuing nature, such as office supplies. Each department should keep a record of all prior payments against an open purchase order.

INTER-DEPARTMENTAL PURCHASES

All inter-departmental purchases will be accounted for with the Internal Transaction Voucher ([Form #31](#)). This form should be completed by the budget manager of the account being charged. The approved form is sent to the Controller for processing.

Click to Reset Form and Erase All Text

JACKSONVILLE STATE UNIVERSITY
INTERNAL TRANSACTION VOUCHER

CHARGE ACCOUNT: _____ CREDIT ACCOUNT: _____
Name: _____ Name: _____
Number: _____ Number: _____

Date Received Goods or service: _____

(Attach copy of statement signed by receiver of goods or service.)
Number: _____

Brief description of goods or service received:

Total Cost: \$ _____

Signature of Charge Account Budget Unit Manager:
Signature: _____ Date: _____

BUSINESS OFFICE:
JV #: _____ Date: _____ Audited: _____

Form 31

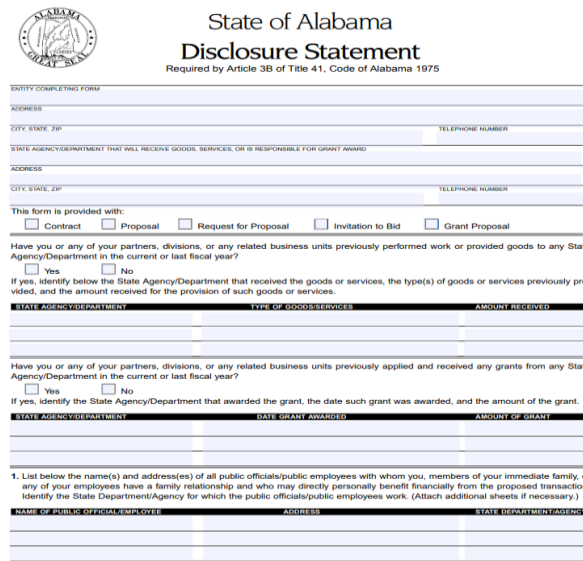
STATE OF ALABAMA COMPETITIVE BID LAW

The Office of Procurement & Fixed Assets is required to obtain competitive, sealed bids in accordance with the State Law Act No. 217, approved on the 15th day of May, 1967 and subsequent amendments. The State of Alabama Competitive Bid Law requires that purchases of like items costing \$15,000 or more during a fiscal year be bid. Certain related items will be combined when determining if the \$15,000 threshold is applicable. Quantities of items having the same or equal specifications will be combined and bid so that the University will benefit from quantity discounts. Multiple orders will not be placed to avoid the bid law. It is University practice to procure goods and services from reliable sources at the appropriate distribution level that offers the material or services at the lowest cost for the quality and service necessary.

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STATE OF ALABAMA DISCLOSURE STATEMENT REQUIREMENT

The State of Alabama requires that a Vendor Disclosure Statement be completed for all proposals, bids, contracts, or grant proposals in excess of \$5,000. In compliance with this requirement (Code of Alabama Title 41, Article 3B, Section 41-16-82) the completed Vendor Disclosure Statement is required by the Office of Procurement & Fixed Assets. The vendor will not be paid without the completed Vendor Disclosure Statement, available online: [AL-Vendor-Disclosure-Statement](#)



The form is titled "State of Alabama Disclosure Statement" and is required by Article 3B of Title 41, Code of Alabama 1975. It includes the Alabama state seal. The form is divided into several sections: 1. "ENTRY COMPLETING FORM" with fields for "ADDRESS", "CITY, STATE, ZIP", and "TELEPHONE NUMBER". 2. "STATE AGENCY/DEPARTMENT THAT WILL RECEIVE GOODS, SERVICES, OR IS RESPONSIBLE FOR GRANT AWARD" with fields for "ADDRESS", "CITY, STATE, ZIP", and "TELEPHONE NUMBER". 3. "This form is provided with:" with checkboxes for "Contract", "Proposal", "Request for Proposal", "Invitation to Bid", and "Grant Proposal". 4. "Have you or any of your partners, divisions, or any related business units previously performed work or provided goods to any State Agency/Department in the current or last fiscal year?" with "Yes" and "No" checkboxes. 5. A table for recording previous work:

| STATE AGENCY/DEPARTMENT | TYPE OF GOODS/SERVICES | AMOUNT RECEIVED |
|-------------------------|------------------------|-----------------|
| | | |
| | | |
| | | |

 6. "Have you or any of your partners, divisions, or any related business units previously applied and received any grants from any State Agency/Department in the current or last fiscal year?" with "Yes" and "No" checkboxes. 7. "If yes, identify the State Agency/Department that awarded the grant, the date such grant was awarded, and the amount of the grant." with a table:

| STATE AGENCY/DEPARTMENT | DATE GRANT AWARDED | AMOUNT OF GRANT |
|-------------------------|--------------------|-----------------|
| | | |
| | | |
| | | |

 8. "1. List below the name(s) and address(es) of all public officials/public employees with whom you, members of your immediate family, or any of your employees have a family relationship and who may directly personally benefit financially from the proposed transaction. Identify the State Department/Agency for which the public officials/public employees work. (Attach additional sheets if necessary.)" with a table:

| NAME OF PUBLIC OFFICIAL/EMPLOYEE | ADDRESS | STATE DEPARTMENT/AGENCY |
|----------------------------------|---------|-------------------------|
| | | |
| | | |
| | | |

SALES TAX

The University is exempt from the payment of State of Alabama sales taxes. It is the practice of the Office of Procurement & Fixed Assets to establish the tax status on purchase orders. The Office of the Controller will provide evidence of the tax exemption if required by a vendor. This is accomplished either at the time the order is issued or at the time of payment when taxes are deducted from vendor invoices by the University Accounts Payable Office. Jacksonville State University's State Tax Exemption number (8-409) is included on the purchase order.

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DELIVERIES AND RECEIVING:

It is University practice to direct shipments to the location of the user. It is the responsibility of the requisitioning department to immediately inspect the shipment; in case of any problems, appropriate procedure should be followed to correct the problem. All invoices with the purchase order number and/or account number indicated are to be forwarded immediately to Accounts Payable with the receiving copy of the purchase order.

DIRECT VOUCHERS

Direct vouchers are payments for goods/services for which no purchase order was processed. This type of payment is primarily used in emergency situations when it is not possible to process a purchase order. All direct vouchers must include a copy of the encumbrance printed from the Banner screen, an invoice, an explanation of the reason why the purchasing policy was not followed, and the approval of the appropriate vice president.

For emergency purchases, enter a direct voucher on the encumbrance form in the Banner System and attach the invoice to a copy of the encumbrance printed from the Banner self-service screen. Before emergency orders can be approved by the Director or Procurement & Fixed Assets, the purchase request must be supported by written justification (explaining the reason for the emergency purchase and why the standard purchasing policy could not be followed). If approved, the encumbrance will be forwarded to Accounts Payable for payment.

Until approved, the purchase is an obligation of the individual making the purchase. Direct vouchers must be signed by the budget manager and the appropriate vice president, then forwarded with the invoice to the Office of Procurement & Fixed Assets. If funds are grant related, the direct voucher must be reviewed and signed by the Sponsored Programs Accountant.

Direct vouchers are also used in situations where needed items are available only from a vendor that does not accept purchase orders or when item cost is substantially lower from a vendor that will not accept purchase orders. These types of purchases are limited to \$300.00. Budget managers should follow the steps listed below to use direct vouchers in this manner.

1. Obtain verbal approval from the Director of Procurement & Fixed Assets prior to the purchase.
2. Establish with the vendor at the time of purchase that the purchase is for Jacksonville State University and, therefore, exempt from State sales tax.
3. Obtain approval from the budget manager and the appropriate vice president.
4. When the goods have been received, submit the direct voucher to the appropriate vice president with an itemized invoice to process payment to vendor or reimbursement to an individual. After the appropriate vice president has approved the direct voucher, it should be forwarded to the Office of Procurement & Fixed Assets. If funds are grant related, the direct voucher must be reviewed and signed by the Sponsored Programs Accountant.

The purchase of the following items does not require a purchase order, and payment should be processed using a direct voucher.

- Gasoline credit card payments
- Professional fees (example: attorneys)
- Insurance, bonds
- Utilities
- Payroll taxes/other expenditures paid directly from a balance sheet account

Instructions for entering direct vouchers using the Banner encumbrance form are found in the Banner Finance Manual.

CONFLICT OF INTEREST

It is the responsibility of all employees of the University and the Office of Procurement & Fixed Assets to take all appropriate steps to prevent the University from knowingly entering into any purchasing commitment that could result in a conflict of interest situation.

PERSONAL PURCHASES

It is the responsibility of all faculty, staff, and the Office of Procurement & Fixed Assets to take all appropriate steps to assure that the University does not knowingly enter into any purchase commitment for personal use.

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RESPONSIBILITY

The Vice President for Finance & Administration is responsible for this policy.

EVALUATION

This policy will be reviewed biennially by the Director of Procurement & Fixed Assets.