



Budget Advisory: Restrictions Concerning Purchases of Goods and Services Using University Funds

The University is undertaking an effort to significantly contain its expenditures for goods and services. The purpose of this budget advisory is to highlight key elements of the University's existing Purchasing Policy. Given the state of the present economy and the desire to maintain a high level of fiscal responsibility, the Purchasing Office will be more closely monitoring/auditing the purchase of goods and services across the University.

Requirement to use Purchase Orders

Excluding written contracts in which terms and/or hourly rates are clearly listed, purchased items/services with a value of less than \$500, or items authorized to be purchased with a University Pcard, all goods/services purchased with University funds require a purchase order. Please review the Purchasing Policy for items that must be obtained with a purchase order regardless of their cost (e.g. printing, computer equipment, software) or must be purchased through a preferred vendor (e.g. office supplies).

Requirement to Written Bids and Quotes

A minimum of three (3) written bids or quotations are required for all:

- Non-capital purchases exceeding \$5,000
- Capital purchases exceeding \$25,000

A minimum of two (2) documented verbal quotations are required for all:

- Non-capital purchases exceeding \$1,500
- Capital purchases exceeding \$10,000

Exceptions to the process are made in situations where no apparent benefit would result to the University. Such exceptions include:

- Existing contract or price agreement (long-term vendor relationship does not qualify)
- Single authorized or sole-source distributor
- Duplication of investment (e.g.: die cuts, negatives, plates, etc.)

Additionally, a reduced number of bids or quotations are allowed in emergency situations where time is critical. Quotes may be obtained via email or over the telephone, however a purchase requisition must still be completed and a signed purchase order submitted to the vendor before any payment will be authorized.

Compliance

Requisitions for goods and services will not be placed if they do not comply with the policies and guidelines listed above. Similarly, invoices received for goods and services which do not comply with these policy requirements will not be paid and the vendor will be directed back to the purchaser. Exceptions to these Purchasing Policy requirements must be obtained in advance from the Director of Purchasing & Auxiliary Services or the Vice President for Finance.