

Purchasing Policies and Procedures

Purchasing Responsibly

The Purchasing Office (“Purchasing”) is authorized to make commitments to off-campus vendors for the purchase of supplies, equipment, and services on behalf of all University departments. Purchasing conducts its function in accordance with the ethical and fiscally responsible practices of the purchasing profession, and in support of the University’s mission of sustainability.

In addition, Purchasing contracts with vendors of common-use supplies to provide individual offices and departments with discounted, environmentally preferable products. All departments are encouraged to make purchases that reduce consumption of materials, reuse or repurpose materials whenever possible, and use products that are ultimately recyclable. Common consumables should have recycled content; office paper should contain at least 30 percent post-consumer recycled content. Appliances, computers, copiers, and printers should be Energy Star-rated.

Purchases using University funds will be made by Purchasing, and any purchases made by individuals without following proper purchasing procedures or without using an authorized **Purchase Order** may result in personal payment by the individual who makes the commitment(s).

Overview

An off-campus purchase is initiated by a department through the use of a **Purchase Requisition** or by placing an order directly with a pre-approved common-use vendor. When using a purchase requisition, the department shall specify what is needed in enough detail, clarity, and supporting documentation that Purchasing and vendor(s) have no question as to what is ordered. Specifications will not be altered without the permission of the initiating department. Purchasing personnel may suggest alternatives or question quality, but will not change specifications without approval.

Correspondence with suppliers relating to present orders for the purpose of changing specifications, quantities, delivery requirements, or cancellations shall be directed to designated departmental personnel who will communicate with the vendor. Departments, through this expediting process, will keep Purchasing apprised of the status of each of their orders.

Purchasing Works Cooperatively with all University Personnel

Additional instruction and assistance with purchasing policies and procedures are available upon request. Suggestions are welcome that may simplify existing procedures and that fall within the existing guidelines of University policies.

General Instruction

Off-campus purchases are handled through the use of a purchase order, purchasing card, check request, or petty cash funds.

The signature of the individual approving the purchase requisition authorizes the purchase and verifies that there are adequate funds available in the account being charged. If the request would cause the particular budget line item to be overspent, the department will be contacted to adjust the budget

Purchasing Policies and Procedures

dollars before the request will be processed. Budget adjustments must be submitted to the Director of Budget Operations and Reporting.

Purchase Requisitions

Off-campus purchases with a cost of \$5,000 or more per single item, or a collective purchase from one vendor of \$25,000 and above, must be initiated with a properly completed **Purchase Requisition** that is delivered to Purchasing for processing. Pacific University uses two types of purchase orders ("PO"): Standard and Blanket. Both types of PO are generated by the same purchase requisition form, with the word *Blanket* or *Standard* noted in the comment field. Standard PO's are used for a one-time purchase, while Blanket PO's are reserved for multiple use of a single vendor against a set sum for a period of one fiscal year.

Capital Equipment, Facilities, and Furniture

Capital equipment is tangible equipment costing \$5,000 or more per item or combined total of pieces working as a unit. Capital equipment should be Energy Star-rated where applicable, unless Energy Star-rated equipment is demonstrably inferior. Equipment in categories that do not have Energy Star ratings should meet a high standard of environmental responsibility. This includes taking into account lifecycle costs, which could comprise a higher-cost but longer-lived item more economical for the University than a lower-cost but shorter-lived item.

When the decision is made to capitalize a particular item of equipment, all costs involved in putting it into a condition ready for use should be included in the asset value. The asset value is inclusive of invoice price for the asset, taxes, special packaging, transportation, storage, training, testing, legal fees, and installation costs, including any construction or charges to the building necessary to house it.

Purchases of capital equipment are made from the capital expense line "7707" and must be approved by the departmental budget officer. If the total is \$25,000 or more, the equipment purchase must also be approved by the Vice President for Finance and Administration.

Capital equipment must be assigned a fixed asset number, inventoried, and tracked for the remainder of its useful life to the University. Purchasing is responsible for maintaining and tracking fixed asset information. A standard purchase order must be completed for fixed assets of \$5,000 and above. The UIS Department is permitted to use a purchasing card for items costing \$5,000 to \$24,999.99, provided that Purchasing receives necessary documentation on the fixed asset.

Furniture, campus-wide, is standardized in an effort to make relocating or expanding offices or reusing furniture more convenient. Furniture requests are directed through the Purchasing office, where standard guides are available for review. Environmentally friendly furniture is included within these standardized offerings. For example, Hon offers a line of furniture that features recycled content and that contains low VOC levels, which promotes healthy indoor air quality.

Recyclables, Surplus, or Obsolete Equipment

Purchasing is responsible for tracking the disposal of all University capital equipment. Departments must prepare an **Asset Disposition** form for each item marked for disposal, and submit the form to Purchasing so that the asset value will be removed from active inventory. The department contacts the

Purchasing Policies and Procedures

Facilities Management office (ext. 2213) for removal of items to the surplus storage area, or for information concerning an available item for campus department reuse. When surplus items are sold by the Facilities Department, an inventory of all items sold or disposed of will be submitted, along with the funds received, to the Business Office.

Purchasing assists with the collection of recyclable printer and copier toner cartridges. Printer toner cartridges are returned to Office Depot or J. Thayer (via the driver) for their remanufacturing program. Empty cartridges for leased copiers are collected in two locations: (a) inside the Rogers Building at the Forest Grove campus, near the Service Center connecting door; and (b) in the lower level of Marsh Hall, outside the UIS offices.

How to Order Supplies and Equipment

Purchase Requisitions are completed to request the purchase of goods and services used by the University, within the price ranges described earlier. Details of the purchase are entered directly via our software system, available online from the desktop (link follows). A training session is required to share the PO usage procedure, as well as to provide an overall view of the budget process; this also allows desk site tracking, beginning with the purchase request and continuing through the final payment.
www.pacificu.edu/offices/bo/purchasing/uindex.cfm

Purchase requisitions should be completed in enough detail to enable Purchasing and suppliers to understand the request. PO's are created by the Purchasing Department two times per week, Tuesday and Thursday, when received prior to 10:00 AM. In an emergency, a manual form may be pulled down from our website and submitted to Purchasing for processing (see "Emergency Order").

The procedure below provides Purchase Order Requisition completion instructions; it is important that all requested information be included. Note the sample form link with corresponding numbers in place.

Manual Purchase Order Requisition

- Confirming Only – Mark this box only if you are calling the vendor AFTER you have received the authorized purchase order number.
- Department – Enter the requesting department name.
- Date Ordered – Enter the date the requisition is prepared.
- P.O. Number – Leave blank; completed by Purchasing.
- Supplier – Enter the name, complete address, and phone/fax number(s) of the vendor.
- Date Required – Enter a *specific* date by which delivery is desired. Terms such as "rush," "at once," "as soon as possible," etc. should not be used.
- Method of Shipment – Enter how the order is to be shipped (e.g. UPS, 2nd Day Air, Ground, etc.).
- Pacific Univ. Customer Number with Vendor of Choice – Enter Pacific's customer number with that particular vendor.
- Delivery Instructions – Enter the department representative's name or building name and room number to guide delivery.

Purchasing Policies and Procedures

- Acct. Number – Enter the complete 13-digit GL account number to be used. Multiple account numbers may be used on the same purchase requisition, as long as the account numbers correspond with the description and amount of the requested purchase.
- Quantity – Enter the requested quantity.
- Item Number – Enter the catalog or product identifying number(s).
- Description – Enter a detailed description so that Purchasing and the vendor will be able to determine what is being requested.
- Unit Price – Enter the estimated unit price based on previous purchases, advertisements, catalogs, or inquiry.
- Estimated Cost – Enter the estimated cost by multiplying the quantity by the estimated unit cost.
- Shipping and Handling – Enter the estimated shipping and handling cost to be included in total cost.
- Requested By – Enter the name of the person who is completing the requisition form.
- Extension Number – Enter the requisitioner's phone number.
- Approved By – Have authorized budget authority or designee sign the requisition. The requisition cannot be processed without this authorized signature.

When Purchasing Receives Your Online Requisition

All requisitions are reviewed daily by Purchasing. As noted earlier, PO's are created two times per week, Tuesday and Thursday, if received prior to 10:00 AM. When a requisition meets all criteria (account number(s), signature, funds, etc.), a purchase order is prepared. The designated account is encumbered for the estimated amount until the purchase is received and the invoice paid. When payment occurs, the estimated amount is removed from the encumbered column, and the paid amount is deducted from the designated account budget.

When Purchases are Received

When the purchase is received, departmental personnel check the contents of the shipment *immediately* for conformity with the packing slips and the outstanding requisition. Special procedures are in place for overages, shortage, damages, and returns. The department representative completes the invoice (see "University Payment Methods") and forwards the invoice to Purchasing. This approved invoice authorizes payment for items received. Partial payments are made as items are received per terms of the vendor's invoice. *Do not* hold invoices until all items are received. Forward all invoices and credit memos immediately to Purchasing for processing.

Material Picked Up

When it is advantageous for the department to pick up ordered materials directly from the vendor, the individual making the pick-up should have full knowledge of the order and be able to provide proper identification to the vendor. The department must request to have the purchase order held for the will-call pick-up. All paperwork signed by or presented to the designated individual by the vendor should be forwarded to Purchasing.

Purchasing Policies and Procedures

Emergency Order

There are occasions when the normal purchasing procedures cannot be followed due to an urgent need for material. If an emergency exists, follow the procedure below:

- Call purchasing for assistance in arranging the purchase.
- Hand-carry a prepared requisition to Purchasing, where a **Purchase Order Number** will be assigned to your requisition.
- All available documentation for the purchase should be attached to the requisition.

NOTE: Emergency orders, unless limited, will result in additional cost, time, and effort on the part of all concerned. The above procedures should only be used when actual emergencies arise, and not as a convenient alternative to normal procedures.

University Payment Methods

Invoices for purchases initiated with a purchase order are to be sent to Purchasing, in order to approve and process against current purchase orders and relieve encumbrance. If an original invoice is received by a department, please forward the invoice to Purchasing. **DO NOT HOLD!** The department representative completes the invoice with the GL account number(s), budget authority signature, and date; then forwards the invoice to Purchasing. Invoices are matched with the purchase order and accepted online; the invoice is forwarded on to Accounts Payable for voucher creation, and a check is created for payment to the vendor.

Invoices for purchases that had been initiated with a check request are processed with Accounts Payable. The vendor/department sends the invoice to Accounts Payable in the Business Office. If approval is needed by the department, Accounts Payable will send a copy of the invoice for authorization and a budget signature.

Purchasing card invoices are submitted monthly to Purchasing with appropriate documentation as required by basic procedures outlined in the Purchasing Card User Manual.

Check request invoices are processed in Accounts Payable when not related to purchase orders.

Petty cash requests are processed in Accounts Payable and limited to under \$50.00.

Questions

If you need any assistance, please contact Purchasing at ext. 2265 or by email at purchasing@pacificu.edu.