

FRANKLIN PIERCE UNIVERSITY
PURCHASING POLICIES AND PROCEDURES

I. INTRODUCTION:

This document describes the policies and procedures that are to be used by all Franklin Pierce University budget managers, programs, and departments to purchase goods and services. These policies apply to all situations wherein University monies, unrestricted or restricted, are being spent. Use of these policies and procedures will allow the University to purchase goods and services in a timely and cost effective manner that is in accordance with good business practices.

The purchasing process is primarily overseen by the University's Purchasing Department. The Purchasing Department's primary role is to assist budget managers with purchasing activities in order to help ensure that the University receives maximum value from all purchase transactions. The Purchasing Department is committed to continuous improvement and constantly works to expand and enhance vendor relationships and improve the purchasing process.

II. OBJECTIVES:

The primary objectives of the Purchasing Department are presented below:

- a. Acquire goods and services that are of the highest possible quality and ensure the receipt of high quality performance from all vendors.
- b. Maintain efficient and effective purchasing and distribution practices.
- c. Review and monitoring of purchase transactions to ensure compliance with all University policies.
- d. Minimize duplication of effort in completing purchase transactions and in the development and maintenance of effective vendor relations.
- e. Conduct all purchasing activities ethically, honestly and in good faith, and to demand the same from vendors.

III. COMPETITIVE BIDDING AND PRICING:

The University encourages comparison shopping at all times and requires the receipt of two or more competitive bids for all purchases involving the expenditure of more than \$2,500.00. Contracts and Leases should be reviewed prior to renewal to see if competitive bids should be obtained. Contracts and Leases should also be reviewed for payment terms. Competitive bidding is not required when: bids have been received for the same goods and services within the previous six months and are still valid; the items are a standard type of goods or services that are commonly purchased through an established preferred vendor relationship; the item is being purchased through a state or federal contract or an educational purchasing cooperative and has thus already been subjected to a competitive bidding process; or when the item is unique in nature and can only be purchased from a single-source provider. Selection of all vendors should be based upon comparative shopping considerations including prices, timely performance, and quality.

The Director of Purchasing and the Purchasing Agent oversee the competitive bidding process and should be contacted when the need for competitive pricing arises.

IV. PURCHASING PROCESS:

A. Purchase Requisition:

Budget Managers or their designees will be responsible for filling out an online purchase requisition and obtaining proper approval levels. (Please contact the Purchasing Department if you need assistance filling out the purchase requisition.)

1. The approval process requires that all purchase requisitions for amounts up to \$2,500.00 must be approved by Department Heads. Requisitions in excess of \$2,500.00 must have approval of your Division Vice President. Requisitions for goods, services, and for leasing of property or equipment exceeding \$25,000.00 must be approved by the Vice President of Finance or the President. Please note that all contracts and leases can only be signed by a Vice President or the President.
2. Blanket Purchase Orders are to be used to take advantage of discounts, facilitate order processing or ensure timely receipt of repetitive shipments. The size of the order may require competitive bidding. Blanket Purchase Orders must be periodically reviewed and must have an ending date.

3. The University generally does not prepay for an item before it is received. Prepayment of purchases is allowed only with the approval of the Chief Operating Officer or Vice President of Finance and must follow the purchasing policy.
4. The Purchasing Department must be notified prior to a sales representative or vendor loaning equipment to or demonstrating equipment on the campus. Depending on the type of equipment, an insurance liability review may be necessary. Please note that using the loaned or demonstrator equipment is not a commitment to purchase and does not alter the purchasing process.
5. Vendor samples should only be accepted when the product is needed, is not for personal use, and has a low dollar value. Please note that accepting a sample is not a commitment to purchase and does not alter the purchasing process.
6. The Purchasing Agent is available either by phone or email to answer any questions and concerns you may have.
7. The Purchasing Department is responsible for the purchasing process and is the only University department that is authorized to place orders with vendors. **The Purchasing Agent will place all orders.**
8. Please remember that the University assumes no responsibility for goods or services that were not acquired through the University's purchasing process. Please also remember that the University and University monies cannot be used for the purchasing of goods and services for the personal use of individual employees.

B. Editing Purchase Orders:

Purchase Orders can be changed up to 10 per cent of the current quantity or dollar amount by the same authorized approver of the purchase requisition by sending an e-mail to:

accountspayable@franklinperce.edu

Orders that have been placed with a vendor and need the quantity or pricing to change more than 10 per cent, must complete a new purchase requisition with proper approval and note that this requisition is replacing a current PO. This can be noted under special instruction.

C. Check Request:

Check Requests are to be used when no official invoice will be received or for the following types of services:

- Subscriptions
- Registration fees for Conferences & Seminars
- Admission Job Fairs

- Athletic Game Officials & Registration for events

- Student Activity events
- Clinical Rotation fee

Check requests are located on the Processing Center web page and must be filled out correctly, with proper approval and forwarded to checkrequest@franklinpierce.edu

D. Credit Card/ Petty Cash Purchases:

1. University Credit Cards:

University credit cards are issued to employees of Franklin Pierce University with the approval of their Vice President. The University credit card should be used primarily for University business travel expenses. If a University credit card is needed to purchase goods or services, such as after normal business hours or for emergency orders, a purchase requisition must be filled out to the vendor providing that service within two business days, indicating that a credit card was used for payment. Purchasing has approval to use a credit card when deemed necessary to purchase on line or companies that don't accept Purchase Orders.

2. Personal Credit Cards:

Personal credit cards cannot be used for payment for any goods or services ordered for the University. Individuals using a personal credit card could be responsible for payment to the vendor from their personal funds. Personal Credit Cards will only be reimbursed for select travel expenses that pertain to a conference or off-campus travel for University business only. University credit cards must be used for travel and conferences if it has been assigned to you.

If a personal credit card is needed to purchase goods or services, such as after normal business hours or for emergency orders, a purchase requisition must be filled out to the vendor providing that service within two business days indicating that a credit card was used for payment

3. Petty Cash can be obtain from Finance & Accounting for up to \$100.00 for purchases from vendors such as; Supermarkets, Department Stores and Hardware Stores. Proper approval will be needed for approving the petty cash slip.

E. Receiving of Goods:

The University uses a central warehouse for receipt and distribution of all cartons and packages coming to campus. Immediately upon delivery of the ordered goods, the carton(s) will be opened to determine the quantity and condition of the contents. The packing slip is pulled and a copy is

made and put back in the carton(s) with the item(s). The ordered items are then sent to the Requisitioner. The packing slip is used to complete online verification of the purchase transaction and confirmation of the purchase order and invoice in the accounts payable system. Departments that need to pick up items at a local vendor must forward packing list to Purchasing noting the item(s) that were picked up and received.

CGPS Receiving:

CGPS will be responsible for receiving items they ordered. Upon delivery of the ordered goods the carton(s) are opened to determine the quantity and condition of goods. The packing slip is pulled and used to receive the items(s) online to be matched up with the purchase order and invoice.

F. Return Policy:

Occasionally it becomes necessary to return items ordered because the goods were damaged, items are missing, the items shipped do not match the items ordered, or items ordered incorrectly.

The Requisitioner is responsible for notifying the Purchasing Agent about any problems with the goods ordered and should forward the items to be returned and the packing slip to the Purchasing Department. This must be done in a timely manner to avoid the University completing payment for incorrect items or items that are being returned. The Purchasing Agent will be responsible for handling all negotiations with the vendor.

G. Personal Packages:

The University requests that personal mail and packages not be delivered to the campus. If there is a special need to have personal mail or packages delivered, the following procedures must be followed:

- Processing Center must be notified in advance
- Items being shipped will be marked as personal
- Processing Center will call when items are received
- Items must be picked up from the Processing Center between 8:30 a.m. and 4:00 p.m.