

# VERMONT TECH

## Manual of Policy and Procedures

|   |                                      |                             |
|---|--------------------------------------|-----------------------------|
| <i>Title:</i><br><br><b>Procurement</b> | <i>Number:</i><br><b>T 210</b>       | <i>Page(s):</i><br><b>5</b> |
|   | <i>Date:</i><br><b>December 2009</b> |                             |

### PURPOSE

This issuance is intended to serve all persons directly or indirectly associated with the purchasing function within the Vermont State Colleges System.

### STATEMENT OF POLICY

#### I. General Purchasing Policies

1. No employee or department has the authority to obligate funds for equipment, supplies, commodities, printing, goods, services, insurance or other purchases without first following the colleges Purchasing Policies and Procedures.
2. All payments made by the College for goods and services must have as Evidence an invoice and a properly authorized Purchase Order or a properly executed Purchase Requisition/Payment form;
3. Procedures governing "Receiving of Goods/Services" must be adhered to by everyone involved in the procurement process.
4. Purchases should be made in a manner that ensure to the extent practical competition; employees are expected to be prudent purchasers of goods and services. All purchases exceeding \$5,000 shall be accompanied by the form "Documentation of Competitive Purchasing", (Attachment A)
5. All purchases exceeding \$5,000 where only one bid has been obtained shall be accompanied by the form "VTC Non-Competitive Bid Statement" (T 210 Attachment B)
6. All purchases made in the State of Vermont are "tax exempt" and accordingly do not include Vermont sales tax;
7. Purchase Approval Limits:
  - A. Department Chairs and/or Office Directors are authorized to approve purchases up to \$2,000 based upon the availability of these funds in their budgets;
  - B. Deans, School Coordinators (e.g., VMEC, SBCE, etc.) are authorized to approve purchases up to \$5,000 based upon the availability of funds in their budgets;

C. ALL purchases in excess of \$5,000 must be approved by the President or by the Dean of Administration.

D. OTHER SPECIAL APPROVAL REQUIREMENTS:

a. Purchase of Chemicals: All purchases of Chemicals---to include radioactive materials---must be approved in advance by the designated College Chemical Hygiene Officer (CHO);

b. Purchase of Information Technology items: All Information Technology items, hardware and software must be approved in advance by the College Information Technology Officer (CITO).

8. All Goods and Services purchased from Federal Grants and/or other Federal sources must adhere to OMB Circular A-110.

#### 9. Emergency Purchase Authorization

On occasion a budget manager may be faced with a situation when an emergency purchase is appropriate. Emergency is defined as any situation involving public health, public safety, or where an immediate purchase is required for repair to College property to prevent or minimize serious disruption in College operations. "Failure to anticipate needs does not constitute an emergency." Emergency purchases must be approved by the President or by the Dean of Administration within two working days after the emergency purchase has been made.

Employees making an emergency purchase may not exceed their authorized approval authority detailed in paragraph 7, directly above.

## II. BOOKSTORE

Purchases from the Bookstore with College funds require approval.

## III. TRAVEL

See Policy & Procedures xxx and use of the Travel Expense Voucher form.

## IV. PROCEDURES: HOW ARE THINGS PURCHASED

### A. REQUISITIONS

#### POLICY

Procurement Cards (P-Cards) should normally be used, especially for all purchases under \$1500. For purchases over \$1500, unless prior authorization has been approved for p-card transactions over \$1500, a requisition for a purchase order is required.

#### PROCEDURE

1. Requisitions should be completed electronically using the Datatel system. There are detailed instructions available for using the Datatel system to complete the form, or training can be arranged through the Business Office. For rare situations there are paper forms available with instructions for completion on the back of the form such as with the Cash Advance Form

and the Travel Expense Form. Please make sure to reference the appropriate department code when the request is submitted.

2. Requisitions must be approved by the proper director, budget manager or department chair before a Purchase Order can be created. If the requisition exceeds \$2000 or the payee of the request is the initial approver, it must also be approved by the Appropriate Dean, Office Director or Site Manager or Site Director. All Requisitions exceeding \$5000 require the approval of the appropriate Dean of Administration. If he/she is not available, the requisition may be approved by the individuals listed immediately below:

- a) President
- b) Director of Accounting Services/Controller

3. Properly completed electronic requisitions are processed to create Purchase Orders.

## B. PURCHASE ORDERS

### POLICY

A Purchase Order is required to purchase all goods and/or services by the College.

### PROCEDURE

All Purchase Orders for the College are created upon completion and approval of a Requisition. Purchase Orders are immediately sent to vendors via fax or mail unless alternative directions have been provided to the Business Office with the Requisition.

## C. CHECK REQUESTS

### POLICY

Check Requests are for payment of reimbursements or for goods and/or services that cannot be purchased through the Requisition / Purchase Order process. This would include goods and services which do not involve the receiving process and which cannot be charged to a Blanket Purchase Order (charge account) with a local vendor. Common examples include magazine subscriptions, license fees, advertising, and performance services that require payment at time of order.

### PROCEDURE

1. Complete a check request form and attach original backup documentation. The following information should be filled out on the Check Request:

- Make Check Payable To: (Vendor Name)
- Address or Department
- Date(s) of Trip/Invoice
- Invoice No. (if applicable)
- Description of Item/Expense (if necessary – this will print on the check stub to identify payment)
- Dollar Amount
- Less Travel Advance (if applicable)
- Special Instructions (checks are mailed to the vendor unless)
- Proper Approvals Required (\*Student Clubs/Organizations)
- GL Account #

Please make sure to reference the appropriate department code. The backup documentation should describe the purpose of the check request in detail and the cost. Examples of appropriate backup documentation would be original cash register receipts, invoices or contracts.

2. A completed check request must be signed by the proper director, budget manager or department chair. If the check request exceeds \$2000 **OR** the payee of the request is the initial approver, it must also be signed by the appropriate Dean or Office Director. All check requests that exceed \$5000 require the approval of the Dean of Administration. If he/she is not available, the Check Request may be approved by the individuals listed:
  - a. President
  - b. Director of Accounting/Controller
3. Checks exceeding \$2500 must be co-signed by the President, the Dean of Administration or other authorized check signer.

#### D. DISTRIBUTION OF FORMS

Requisition and Check Request forms can be found in the Business Office and Student Club/Organization forms can be found in the Dean of the College office.

#### E. RECEIVING/ACCEPTANCE OF GOODS AND SERVICES

All goods and services obtained through the Purchase Order system should normally be received/accepted by the original requisitioning individual. Delivery to the original requisitioning party insures the order will be properly logged as received and can be paid as soon as an invoice is received from the vendor. If the goods are delivered directly to the department, and there are special circumstances (partial deliveries, damage, substitutions, etc.) the Business Office must be contacted immediately to resolve any issues with vendors or carriers and to insure the goods are properly logged as received.

#### F. PAYMENTS

Accounts Payable will process payments for items obtained through the Purchase Order system and for properly authorized Check Requests. Goods or services obtained through the PO system must be received/accepted before payment can be processed. Checks are mailed directly to the vendor unless otherwise instructed on the Check Request form.

#### G. TIME FRAME FOR PAYMENTS

The Business Office prepares checks Wednesdays for invoices and Check Requests processed during the week. An exception to this schedule may be made for holidays or other special events. All invoices and Check Requests must be received by NOON on Wednesday and Friday with all necessary documentation to ensure payment on the following Thursday and Monday.

## H. EMERGENCY CHECKS

Checks may be prepared manually---on an exception basis---in response to a situation that requires payment on an immediate basis. Checks prepared outside of the normal processing schedule.

## POLICY MODIFICATION HISTORY

I. The following dates reflect chronological changes made to this policy which are henceforth considered depreciated.

- a) April 2004
- b) December 2009

|            |                               |
|------------|-------------------------------|
| Signed By: | Patricia Moulton<br>President |
|------------|-------------------------------|