Re: **Purchasing**

**Policy**

University funds shall only be used for the purchase of goods and services that benefit the University. Purchases shall be of quality and value.

University purchases of goods and services must be approved and processed through the authorized administrative departments. Requests for goods and services shall be approved by authorized personnel, in accordance with University guidelines. All requests shall comply with funding requirements.

There shall be an appropriate system of control and oversight in the determination of goods and services rendered. There shall be appropriate oversight in the determination of the benefit that such goods and services are to provide to the department, program, and/or University. There shall be appropriate oversight in the determination and resolution to potential and actual conflicts of interest. The University shall maintain an appropriate system of checks and balances to ensure that purchases are reasonable, necessary, beneficial, and of appropriate quality and value. The system of checks and balances shall reasonably protect the University from liability and harm.
Re: Conflict of Interest

Standard

See Administration Manual

In addition, all current and prospective vendors, consultants, and independent contractors (VCICs) are required to avoid all conflicts of interest, including professional, personal, real, potential, and perceived.

Background

All current and prospective VCICs are required to conduct themselves in a manner which will avoid any conflict with the University’s interest. Vendors, consultants, and independent contractors should be aware of and identify the circumstances under which a University action may pose a conflict or the appearance of a conflict between the VCICs and the University’s interest.

Procedure

Because there is a wide range in the type of activities performed by various VCICs, it is not possible to specify exactly all of the activities and interests which may be considered to be conflicts of interest.

Responsibilities

1. University staff and faculty have a continuing duty to assess whether VCICs may have conflicts of interest and to disclose any such conflict or potential conflict at the earliest time known or discovered to the dean or VP responsible over the functional area.
2. All current and prospective VCICs are required to report gifts, gratuities, conflicts and potential conflicts of interest annually.
3. Vendors, consultants, and independent contractors are prohibited from providing or offering gifts, gratuities, favors, or discounts, to University employees, board members, agents, or representatives.

References

Administration

08-01-01
Standard

Finance: Purchasing effective date: August 13, 2010
Previous Date: April 1, 2010

Re: Purchases of Goods, Services and other Agreements

Standard

All purchases and agreements for goods, services related to consultants, independent contractors, or other, require the approval of an authorized senior administrator or executive. Senior administrators and executives for these purposes are approved by the Board of Trustees (BOT). The individuals and limits will be reviewed and approved at least annually by the Board.

Background

Charles Drew University, in the conduct of business, regularly purchases goods, and services, that are outside the scope of its employees. The services are to be purchased through a review and approval process that ensures integrity, and promotes effectiveness, efficiency and appropriateness to the time and conditions of the particular situation. The relationship must be professional. There must be sufficient controls to protect the assets of the University.

Procedure

1. Program, project, department or other direct manager requests the goods or services to be performed and coordinates through Human Resources, Procurement, or Administrative Office.
2. The proposed agreement is reviewed by Human Resources, Procurement, or Administrative Office and approved by the appropriate executive or administrator(s). The vendor must complete the conflict of interest form.
3. The agreement is approved by the Vice President/Chief Financial Officer. Procurement, or other designated office, processes the agreement.
4. A report of all payments $10,000 or more, is forwarded to the BOT and senior management, periodically, at least quarterly.
5. Invoices are approved by the appropriate administrator(s); Office of Sponsored Programs for grant related expenses, reviewed by Finance and processed by Accounts Payable for payment.

08-02-01
Responsibilities

1. Program, project, department or other direct manager is responsible for identifying the need and coordinating the process.
2. Human Resources, Procurement, or Administrative Office is responsible for compliance with University policies and procedures.
3. Senior Administrators are responsible for reviewing and approving the service needs, the vendor qualifications, the appropriateness of the proposed relationship, and the proposed agreement.
4. Board members are responsible for the review of major agreements.
5. Program, project, department or other direct managers and executive administrators must monitor services performed and certify invoices for payment.

References

Administration
Procurement
Human Resources
Re: **Purchase of Equipment and Supplies**

**Standard**

Determination of University needs for equipment and services should be made by appropriate personnel and according to University guidelines.

Personnel involved in the process, planning, control and approval of purchasing transactions will maintain the highest levels of integrity and transparency. Personnel are required to behave ethically, report and avoid conflicts of interest, and to maintain professionalism at all times.

**Background**

The determination of needs for equipment, supplies, and commitments to lease should be made by qualified individuals in the University and according to organizational guidelines that consider adequate quantities, reasonable prices, timely receipt, proper specifications, and desired quantity. The guidelines must also consider and avoid the disruption of operational efficiency because of improper or untimely purchases and potential losses and use of cash caused by excessive purchases.

**Procedure**

1. The responsible official must prepare and submit a Purchase Requisition form to the Procurement Office. The purchase requisition may be reviewed by Office of Sponsored Programs and/or the account manager as appropriate.
2. Procurement will identify a vendor and confirm prices, shipping and payment terms, issue a Purchase Order (PO) and forward copies of the PO to the issuer.
3. When the items are delivered, Procurement office must verify that the items received match the PO. Sign and forward the PO to the Accounts Payable office in the Finance Department.
4. If purchases are not received within 20 days of the PO date, the requesting department should contact the Procurement office.
5. Shipping and Receiving or the requestor should notify Procurement immediately of damage, incorrect sizes or quantities, or partial orders.
Responsibilities

1. The requestor is responsible for determination of the need and appropriateness of the request.
2. The Manager or Administrator is responsible for department or program approval and budget verification.
3. Procurement is responsible for pricing, value, and bid requirements.
4. Shipping and Receiving should notify Procurement of any receiving discrepancies.
5. Finance approves funds.
6. Office of Sponsored Programs reviews purchases from sponsored programs.

References

Administration
Procurement
Office of Sponsored Programs
Re: Bid Requirements

Standard

The University’s Procurement Department provides purchasing services to the entire University community in compliance with sound purchasing practices and all applicable grant and contract requirements.

Background

Efficient purchasing practices should result in savings of direct benefit to the government and the University. Formal bids will be required to meet federal regulation or if such bids seem prudent and necessary in order to obtain goods or services under the most favorable conditions.

Procedure

1. Procurement will solicit formal bids via local publication, internet and from existing vendors known to be capable of delivering the requested service or product. Specific requests in writing or by phone may be made for quotations. The request for bid must include specifications and necessary requirements and be made to all vendors who seek to bid.
2. In situations where formal bids are not required, phone bids will be acceptable. The solicitation of a quote made by phone must be properly documented. This documentation should include the name of the vendor, the vendor’s address and phone number, the person contacted, and the amount quoted.
3. In situations where a competitive market does not exist, it is permissible for the University to establish a sole source provider. The Procurement department must establish clear and convincing evidence that the desired bids and services are available only from that source and that alternative methods using the competitive market are unavailable to meet the specific needs of the University.
4. The Procurement Department will conduct a price comparison of all selected vendors/consultants before completing the selection process. However, the selection of a specific vendor/consultant will not wholly be based on price. The selection of vendors/consultants should also include their capability of delivering goods and services under the most favorable conditions to the University. The ability of the provider to deliver the requested service or product must also consider the requisite skill, competency and integrity of the provider.
Responsibilities

1. Procurement is responsible for bid process.
2. Administration is responsible for approval of request and process.

References

Administration
Procurement
Re: Credit Cards

Standard

The University shall provide credit cards to facilitate official business to senior administrators only when absolutely necessary, and when no other reasonable alternatives are available.

Background

The University attempts to avoid the issuance and use of credit cards. Credit cards must be approved by the Chief Financial Officer (CFO), and are only available to senior administrators for official University business. All alternatives should be explored prior to issuing credit cards. Any instances of non-compliance with the rules will result in the termination of credit card privileges.

Credit cards are to be used only when other means are not available, such as check requests, purchase orders, or other means. If a cardholder accidentally uses the card for personal reasons, payment must be made to the University immediately. Original receipts are required. Check requests must be submitted to Finance on a timely basis for all bills in order to avoid finance charges.

Cards issued are reviewed annually.

Procedure

1. President and CFO approve all credit cards.
2. Cardholder may only use the card for official business when no other payment method is available.
3. Cardholder must reimburse the University immediately, if the card was unintentionally used for personal reasons.
4. Cardholder must prepare a check request on a timely basis, for the card payment, to avoid fees.
5. Original receipts are required.

Responsibilities

1. The President’s Office and Finance shall manage credit card use.
2. The President’s Office and Finance will reconcile the accounts with the cardholder.

References

Procurement
Finance
President’s Office
Re: Leases

Standard

All leases shall be approved by Administration. Leases shall reflect the interests of the University and shall not expose the University to unreasonable risks or terms and conditions.

Background

Leases must reflect the best interests of the University. There shall not be any unreasonable risks, nor unreasonable terms and conditions, in any agreement.

Agreements funded by external funds, such as grant programs, shall not encumber funds beyond the award period. Agreements funded through other restricted accounts shall not encumber funds beyond the resources available. Finance will review financial terms and conditions as part of the approval process. In addition, review and approvals of leases shall include Facilities, Risk Management, and Office of Sponsored Programs, as appropriate.

All leases and term agreements must have termination clauses, which may be activated by Charles Drew University, with protections so as to minimize risks and future expenses.

Procedure

Responsibilities

1. Principal investigator (PI), director, or administrator proposes lease.
2. Facilities department reviews and approves space.
3. Office of Sponsored Programs reviews and approves grant agreements.
4. Procurement, if applicable, reviews and assists PI, director, or administrator with negotiating terms.
5. Finance reviews and approves financial arrangements.
6. Administration approves lease.

References

Administration
Office of Sponsored Programs
Facilities
Procurement

08-06-01