Purchasing Policy

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General Description

Policy Summary:

This policy provides a framework for purchasing goods and/or services and includes the processing requirements. Trinity University (the University) seeks to procure the highest possible quality of goods and services at the best value. Vendor and product characteristics that should be considered include price, provisions for ongoing maintenance, quality of the product or service, lead times, warranties and guarantees, vendor expertise, and prior history. This policy provides guidance to ensure maximum value for funds being expended and adequate testing and inspection of purchased goods and services. Goods and services purchased must be reasonable and necessary to accomplish the University's mission.

Purpose:

To provide a consistent policy framework for sound planning and management of buying activities.

Scope:

Faculty, staff and students involved in the buying process which involves planning, proposing, authorizing, approving or executing procurement activities for goods and/or services.

Exceptions:

None.

Policy Content

Authorized Limits

1. Most Department Chairs (Chair) or Directors have direct departmental purchasing authority for purchases up to $25,000 and may place orders directly with the supplier. A requisition and purchase order (PO) are not required unless specifically required by the supplier.

2. For purchases $25,000 or greater, a requisition and PO is required. **Reference the Workday**

Quick Reference Guide (QRG) Create a Requisition with a Non-Catalog Item for detailed procedures. Departmental requisitions will automatically be routed through Workday's business process to the respective departments' level of authority based on the requisition amount.

3. Federally funded purchases must follow the Office of Management and Budget's (OMB) Code of Federal Regulations Title 2 Chapter II (2 CFR 200). Principal Investigator (PI) approval is required for all charges to grants.

Policy Requirements

1. Less than $5,000

   Purchasing Card (P-Card)

   For purchases less than $5,000, the P-Card is the preferred method of payment. The P-Card Program is designed to streamline the order of and payment process for these purchase levels. Other forms of payment including supplier invoice requests [SJA1] should be used only when payment by the P-Card is not accepted by the supplier. See P-Card Policy and Procedures for more information.

   Split Orders

   It is a violation of University policy to split individual orders into multiple smaller orders (including related payments) for the purpose of circumventing authorization limits.

2. $25,000 or greater

   A requisition and PO are required. A requisition and PO must be approved prior to placing orders directly with a supplier.

Federal Grant Purchases

$5,000 or greater

Federal grant requisitions must include at least two qualified pricing sources (e.g. a supplier's price list obtained from their website meets this requirement). Attach any contracts or proposals applicable.

$150,000 or greater

Federal grant requisitions require competitive bids.

For any further questions, contact Sponsored Projects Accounting in the Business Office.

Trade-in of equipment purchased with federal funds requires approval from the funding agency. Refer to the Property Management and Control Policy for responsibilities and processes pertaining to equipment funded by Sponsored Projects

Other Approvals

1. Computer related items: Requisitions submitted for computer hardware are routed to Information Technology Services (ITS) for approval in Workday.

2. Approved requisitions are routed to the Purchasing specialist for processing to ensure the requisition is in good order (i.e. proper account coding and complete documentation). Upon verification, a PO will be created.

3. All third-party contracts must be reviewed and approved by the Trinity University Risk Management Office; additional approvals may be necessary based upon the contract amount. The requesting department must consider that it typically takes two weeks for this review and approval process to be completed. **Reference the Contract Policy and Procedures for approval requirements and additional information.**

Suppliers

New suppliers doing business with the University must supply a valid IRS Form W-9 (or applicable W-8 for international suppliers) that includes a verifiable business address which is not a P.O. Box. Certain suppliers ("Approved Suppliers") have been screened in order to do business with the University. Approved suppliers have already supplied a W-9, in addition to other documents in order to do business with the University. Please contact Accounts Payable to determine if the supplier is pre-approved.

Trinity will make a good faith effort to use small or historically under-utilized businesses (HUB), particularly within the local community.

Receiving and Delivery

Upon delivery of goods to the department by the supplier, the items should be carefully examined to ensure they are in good condition and working order. Be sure to look for visible signs of damage, especially if the merchandise is fragile or costly. Upon verification of delivery and good working condition, the requisition initiator should receive the goods in Workday. **Reference the Workday QRG**

Create Receipt for detailed procedures.

Invoices & Other Payments

All suppliers should send invoices directly to the University's Accounts Payable (AP) team. AP will enter the invoice into Workday to either match to an existing PO or to be automatically routed through Workday's business process for approval.

Relocation (Moving) Expense Reimbursement:[SJA1] Create a Payment Request Form to reimburse pre-approved moving expenses for newly hired faculty/staff. Forward completed forms to AP for processing.

Honoria (Guest Speakers) Payment Requests: Honorariums are taxable income and are subject to annual tax reporting on IRS Form 1099-NEC. Create a Supplier Invoice Request in Workday. Ensure speaking agreements or other relevant supporting documentation is attached in Workday. **Reference the Workday QRG Create Supplier Invoice Request for detailed procedures.**

Upon full approval of invoices, AP may then issue payment. Payments are processed twice a week.

Purchasing Authority cancellation, Suspension or Revocation

An individual's ability to authorize purchases presumes high expectations of accountability and ethical behavior. Noncompliance with this policy may increase costs to the University, can undermine relationships (with suppliers and others) and can result in unnecessary payment delays to suppliers. Failure to follow this Policy may result in administrative and/or disciplinary actions, including cancellation, suspension or revocation of purchasing authority.

Terms & Definitions

Terms and Definitions:

Term:	Definition:
Requisition	A document used in the buying process to initiate an order for goods and/or services. Once all of the necessary approvals are obtained, the requisition becomes a Purchase Order.
Purchase Order (PO)	A document representing an official offer issued by a buyer to a seller indicating types, quantities, and agreed upon terms and conditions, as well as prices for products and/or services.
Supplier	A business entity from whom you purchase goods or services.

Term:	Definition:
Supplier Invoice Payment Request	Stand-alone Workday business process, completely separate form purchase orders and contracts. It is used when a supplier invoice is not available, for example an honorarium.
Business Process	Tasks that you can initiate, act on, and complete in order to accomplish a desired business objective.

Related Documents

Related Documents:

Document Type:	Document Name:	Document Number:
Policy	P-Card Policy	BUSO-0028
Policy	Contract Policy & Procedures	RISK-0007
Policy	Property Management and Control	FACS-0006
Policy	Conflict of Interest Policy	HMRS-0064

Revision Management

Revision History Log:

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Vice President Approval:

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