General Description

Policy Summary:
This policy provides a framework for purchasing goods and/or services and encompasses the processing requirements. Trinity University’s (TU or the University) buying function seeks to procure the highest possible quality of goods and services at the best value. Vendor and product characteristics that are 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 and procedures 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. Department Chairs (Chair) or Directors have direct departmental purchasing authority for purchases up to $5,000 and may place orders directly with the vendor. A requisition is not required. Federally funded purchases must follow the Office of Management and Budget’s (OMB) Code of Federal Regulations Title 2 Chapter II (2 CFR 200.) Please refer to the approvals section number 2 below for Federal Grant requirements.

Exception:

a. Departments are not authorized to make capital equipment purchases which require additional approval. Capital equipment consists of equipment equal to or greater than $5,000 per unit. See the Capital Equipment Process Policy for more information.

Purchasing Card (Pcard) purchases: For purchases less than $5,000, the purchasing card is the preferred method of payment. The Pcard Program is designed to streamline the order of and payment process for these purchase levels. Other forms of payment including invoice
billing, payment requests and petty cash transactions should be used only when payment by the Pcard is not accepted by the vendor. See P-Card Policy and Procedures for more information.

2. All purchases equal to or greater than $5,000 must be processed through the Purchasing Office with a requisition so that a purchase order (PO) can be processed. Requisitions are utilized for Blanket PO and PO transactions only.

3. *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.

### Approvals

- **< $5,000**

  Policy Requirements

  P-Card is the preferred method, reference Exceptions above at section 1, Authorization Limits.

  Approvals

  - Chair or Director, a second approval is generally not required.
  - Some University divisions and/or accounts may have additional requirements regarding signature authority. Please check with the appropriate division representative.
  - Principal Investigator (PI) signature is required for all charges to grants.

- **≥ $5,000**

  Policy Requirements

  Requisition and Purchase Order required. Federal grant requisitions must include at least two qualified pricing sources (e.g. a vendor’s price list obtained from their website meets this requirement). Attach any contracts or proposals applicable.

  Approvals
- Chair, Director and VP or designee
- Principal Investigator (PI) signature is required for all charges to grants.

**= or > $25,000**

**Policy Requirements**

Requisition and Purchase Order required, department must obtain (3) quotes. Attach any contracts or proposals applicable.

**Approvals**

- Chair, Director and VP or designee
- Principal Investigator (PI) signature is required for all charges to grants.

**= or > $100,000**

**Policy Requirements**

Contact the University Buyer who will determine the best buying method to utilize; competitive bids may be required. Competitive bids are required for Federal Grant purchases > $150,000.

**Approvals**

- Chair or Director and VP
- VP Finance & Administration or AVP Finance or President
- Principal Investigator (PI) signature is required for all charges to grants.

1. Refer to the federal or other granting agency procurement guidelines or contact the Business Office/Sponsored Projects Accounting for specific grant requirements. See Section 4 below for requisition preparation and Section 5 for additional information required for Sponsored Projects.

2. Computer related items: Requisitions submitted for computer hardware, software and related items must be processed through and approved by the Director of Information Technology Services (ITS).

3. Approved requisitions are sent to Accounts Payable (AP) for processing to ensure the
requisition is in good order (i.e. proper account coding, complete documentation and authorized signature(s) are provided).

4. All outside party contracts must be reviewed and approved by the Trinity University Risk Management Office; additional approvals may be necessary based upon the contract amount. Refer to the Signature Authority section of the Contract Policy and Procedures for approval requirements. The requesting department must consider that it typically takes two weeks for this review and approval process to be completed. Reference Contract Policy and Procedures at the Risk Management website located at Contract Policy and Procedures | Inside.Trinity.edu or Trinity’s policy website.

5. Orders placed directly with the vendor by phone or in person must include complete shipping instructions. Please refer to the link for Placing Orders with Merchants PDF. The requisition must be processed as soon as possible. Request an estimated time of arrival from the vendor and inform Central Receiving. Forward all order confirmations to Central Receiving, preferably via email: Centrec@trinity.edu. The vendor must cite the requestor’s name on all invoices, packing slips and correspondence pertaining to the order. Request that merchandise be shipped to: Trinity University/Central Receiving, Attention person’s name and department, 607 Kings Court, San Antonio, TX 78212. The link above provides important information about receiving merchandise, including damaged items or merchandise that is missing or is not the correct item(s) ordered.

6. Competitive bids allow the University Buyer to request bids from a pool of suppliers. This approach can be advantageous in securing the best value from potential vendors. The University Buyer is available to determine when this approach should be used.

Vendors

New vendors doing business with the University must supply a valid IRS Form W-9 (or applicable W-8 for international vendors) that includes a verifiable business address which is not a P.O. Box. Certain vendors (“Approved Vendors”) have been screened in order to do business with the University. Please contact AP to determine if the vendor is an Approved Vendor. Approved vendors have already supplied a W-9, in addition to other documents in order to do business with the University.

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

Trinity University Requisition Preparation

1. Purchases for $5,000 and over: The requisition (see forms
at [https://inside.trinity.edu/financial-services-center/forms](https://inside.trinity.edu/financial-services-center/forms) is to be completed and submitted for approvals, prior to placing the order. The requisition must include the vendor’s name and address, amount and a full description of the items being purchased. Attach any applicable quotes, contracts or proposals. “Per invoice” or Per attached” is not an acceptable description. If freight is to be paid, note the amount or an estimate on the requisition. If merchandise is to be delivered directly to the department by the vendor, it needs to be specified on the requisition.

2. The Requisition must be completed with the following information:

   - Department name, contact person & contact information,
   - Account number(s) and amount(s)
   - Vendor name, address, contact information and tax identification number; the latter number should be provided at IRS Form W-9 or the applicable W-8 form (for international vendors)
   - Description of the merchandise to be purchased and/or services to be provided
   - Specify delivery to building room number
   - Ship to address is 607 Kings Court
   - Include the required delivery date, if necessary and any additional pertinent information

3. Competitive Bid Exclusions

   - Cooperative Purchasing - Purchases made from University approved Purchasing Coops such as: E&I, TXMas, TCPN, Higher Educational programs do not require competitive quotes, since the governing board of these agencies have already completed the competitive pricing.
   - Capital Improvement Projects – Refer to the Capital Projects policy for requirements.

4. Sole Source Purchasing

   Sole source procurement from a specified vendor will be considered following the completion and submission of sole source documentation. Sole source purchases occur when there is a single supply source available. Sole source requests and documentation are to be attached to the original purchase requisition along with a vendor quote and all other documentation supporting the proposed procurement. Information regarding sole source justifications, including the form are available at the following link. If the cost of merchandise is unknown, send a fax to Ext. 8229 or email the Purchasing Office at: Purchasing@trinity.edu specifying the exact requirements and suggested source, if known. The Purchasing Office will obtain a quote and advise the department.

5. Blanket Purchase Orders (BPOs) on Requisitions
If a department has recurring charges with a vendor that does not accept the Pcard, a BPO may be issued to the vendor. The requisition form has a check box for BPO requests. A BPO is set up as an authorization for a specific amount for a pre-determined period of time. With a BPO, AP is authorized to pay invoices, as directed and approved by the department. A BPO may cover a period up to 12 months. A BPO generally may not extend past the University’s fiscal year which begins June 1st and ends May 31st. Exception, plant fund BPOs are not restricted to time periods and may extend into subsequent fiscal years. To set up a BPO, the following additional information is needed at the requisition:

a. Estimate the amount of funds to be encumbered to cover the life of the BPO and
b. Check the box for “Blanket Purchase Order”.

6. When appropriate, an analysis will be made of lease versus purchase alternatives and any other appropriate analysis to determine the most economical approach.

**Sponsored Projects Purchase Requisition Preparation**

1. Federal award procurement guidelines are detailed at 2 CFR 200.320 which details multiple methods of procurement that are incorporated within this policy.

2. The Requisition must be completed with the information detailed above at Section 3b, in addition to the following:
   - Grant name & grant budget account number(s)
   - Project ID
   - Amount per grant number

3. The requisition must be signed by the PI and Department Chair. Attach any applicable quotes or proposals, then forward all documents to AP.

4. AP will review to ensure appropriate approvals are obtained. The Sponsored Projects Accounting Office will review and finalize approval.

5. 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.

**Additional Documentation Requirements**
Chemicals and/or hazardous materials (when applicable): Departments must send the order to the Environmental Health & Safety Director for review and approval.

Receiving and Delivery

1. The department should keep a copy of the requisition for their department files.

   If merchandise is delivered directly to the department by the vendor, it should be carefully examined to ensure the merchandise is in good condition. Be sure to look for visible signs of damage, especially if the merchandise is fragile or costly. The person receiving the goods should sign and date the packing slip and forward to Central Receiving. For more details regarding delivery, please refer to # 3 in the following linked document.

2. If the department receives the merchandise directly from the vendor after the requisition has been processed, notify Central receiving at Centrec@Trinity.edu. Provide Central Receiving with the vendor’s name and the Purchase Order number (if applicable) so that the order can be accepted in Ellucian.

3. A department may be assessed a $25 processing fee by the Business Office if an invoice is received in AP and a corresponding requisition has not been processed by the department.

Invoices and Other Payments

1. All invoices must be sent to AP in the Business Office. AP will circulate the invoice(s) to obtain approval(s) for payment. If the invoice is greater than either $125 or 10% of the total approved requisition, additional approval is required (as indicated above at Section 2); amounts less than those levels will be processed for payment by AP.

2. Relocation (Moving) Expense Reimbursement: Use a payment request form to reimburse pre-approved moving expenses for newly hired faculty/staff. Forward completed forms to AP for processing.

3. Honoria (Guest Speakers) Payment Requests: Honorariums are taxable income and are subject to annual tax reporting on IRS Form – 1099-MISC. The individual’s social security number and address must be in the vendor section of the payment request form and the speaking agreement (refer to the templates available at the Contract Policy) must be attached as documentation.

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 vendors and others) and can result in unnecessary payment delays to vendors. Failure to follow this Policy and procedures may result in administrative and/or disciplinary actions, including cancellation, suspension or revocation of purchasing authority.

**Requirements**

**Approvals:**
VP for Finance and Administration

**Terms and Definitions:**

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
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<tbody>
<tr>
<td>Requisition</td>
<td>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.</td>
</tr>
<tr>
<td>Purchase Order (PO)</td>
<td>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.</td>
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<tr>
<td>Blanket Purchase Order (BPO)</td>
<td>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. BPO's cover recurring goods and/or services and multiple payments.</td>
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<tr>
<td>Payment Request</td>
<td>A document used to issue a payment when a Purchase Order is not required and an invoice is not issued by the vendor. Invoices are preferred for payment purposes.</td>
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<tr>
<td>Capital Assets</td>
<td>Consist of equipment, furniture and furnishings, tools, vehicles, library books or leasehold improvements (walls, doors etc) with an individual item cost of $5,000 or more (i.e. one item with a cost of $5,000 but not two items that cost $2,500 each) and useful life of 5 years or more. The exception to this per unit amount are bulk purchases and/or capital projects. Individual items that cost less than $5,000 may be grouped as one asset when the total value exceeds $25,000 and the useful life is at least 10 years. For additional information on capital projects, refer to the University’s Capital Projects Policy and Procedures.</td>
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Attachments

Payment Request Form
Requisition Form
**Related Documents**

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<thead>
<tr>
<th>Document Type</th>
<th>Document Name</th>
<th>Document Number</th>
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<tr>
<td>Policy</td>
<td>P-Card Policy</td>
<td>BUSO-0028</td>
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<tr>
<td>Policy</td>
<td>Contract Policy</td>
<td>RISK-0007</td>
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<td>Policy</td>
<td>Property Management and Control</td>
<td>FACS-0006</td>
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<td>Policy</td>
<td>Conflict of Interest Policy</td>
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**Revision Management**

**Revision History Log:**

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<td>New document</td>
<td>Holly Warfel</td>
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