



## Part 5. Financial Services

### Section IV. Property/Purchasing

#### C. Purchasing (Updated ~~8~~10/~~02~~8)

##### 1. Authority for Procurement

The Purchasing Department is a division of the Office of the Financial Vice President. All procurement negotiations have been delegated to the Director of Purchasing by the Financial Vice President of the University, the Administrator of the State of Idaho Division of Purchasing and the State Board of Education. All transactions of Idaho State University are governed by the provisions of IDAPA 38.05.01 referred to as the “Revised Rules and Regulations for Division of Purchasing, Department of Administration, State of Idaho.” (Idaho Code § 67-5714 through 67-5744.)

##### 2. Responsibility and Objectives

The function of the Purchasing Department is the organization and administration of centralized purchasing services for all departments of the University. By providing these services in accordance with sound business practices, the Purchasing Department seeks to realize for the University the maximum value for every dollar expended.

To achieve this goal, the Purchasing Department is charged by the Financial Vice President with responsibility for the following:

a. It is the policy of Idaho State University to seek competitive quotations, bids, or proposals for all transactions. Procedures are in place to handle emergency requests, small order purchases, sole source, and/or instructional materials which may not lend themselves to such a competitive environment. Please contact the Purchasing Department early in the buying process to insure that Idaho Code is followed.

b. Maintaining liaison with the vendors who service the University.

c. Coordinating the procurement of goods and services for the academic, administrative, and research departments of the University.

d. Developing sources of supply to ensure that university departments have an adequate number of vendors from which to obtain supplies, equipment and services.

##### 3. Authorized Purchases

In accordance with the authority delegated to the Director of Purchasing, all purchases, irrespective of sources of funding, will be governed by the policies outlined in this section.

The basic policy is to obtain only the necessary supplies, equipment and services at the lowest cost to the University consistent with quantity, quality and availability of the items at the time of purchase. To the extent practicable (that is, if metric measurement does not impede functionality) and economically feasible, products dimensioned in the metric system of measurement are acceptable to the University. In conforming to this policy, the cost of the purchase and the delivery time required by the using department will be considered. Part of those cost considerations may be the expenses and/or cost avoidance of operation over the product's anticipated economic life. The economic savings generated by significant conservation of natural resources, protection of the environment, and conservation of energy, when practical, will be considered in the calculation of product costs. Competitive quotations will be solicited whenever practicable and as required by Idaho Code.

No person is authorized to obligate the University without encumbering, in advance, sufficient funds to meet the purchase obligation. This practice applies to all requisitions regardless of the source of funding.

#### 4. Gifts and Gratuities

It is the policy of the Purchasing Department, as well as other related personnel of the University, to decline personal gifts or gratuities in connection with the purchasing function. Purchasing Department staff in any of its locations may not accept personal gifts or gratuities from any current or potential supplier of goods or services to the University.

#### 5. Conflict of Interest

The University, as a general rule, does not enter into purchasing contracts with students ~~employees~~, faculty and staff or members of their immediate families. Acquisitions from a business in which an employee has an interest is prohibited. (See: State Board of Education Policy Section II.Q "Conflict of Interest and Ethical Conduct" as well as Idaho Code § 67-5726 "Prohibitions".)

#### 6. Fund Sources

All funds deposited with the University, regardless of source, are university funds and must be handled in accordance with the university policy. Although departments are allocated funds in their budgets for a given period, this allocation is only an authority to requisition, not to purchase. Each department is assigned an account number or numbers by the Accounting Office. The complete number of the account to be charged must be included on all requisitions.

#### 7. Authorization to Purchase

For proper control, it is recommended that the purchasing function within a department (including issuing requisitions and approving invoices) reside with one person. The prompt

processing of all work, however, remains the responsibility of the department chairperson or office director.

All requests for outside purchases regardless of the sources of funds must be processed through the Purchasing Department on Requisition forms. Pre-numbered forms are available from the Purchasing Department.

Departments submitting requisitions are requested to follow these guidelines:

a. Each requisition must contain a complete description of the material or service desired. Care should be taken to include on each requisition only the items available from one supplier, (e.g., Do not request radioactive supplies and furniture on the same requisition).

b. Where possible, the department should furnish suggested sources of supply giving the name, address, and phone number of each vendor.

c. Each requisition should be prepared in duplicate. The original copy is forwarded to the Purchasing Office, and the duplicate copy retained by the department. Before a requisition can be accepted for processing it must include the following information.

(1) Date Prepared — enter date requisition is originated.

(2) Ordered by — department name.

(3) Account No. — enter account number to be charged.

(4) Ship To — The complete name and address where delivery is to be made is important.

(5) Any information that might help identify the item(s) and your needs.

d. The signature of the person authorized to submit a department requisition must appear on each requisition.

## 8. Statewide Contracts

To facilitate the purchase of frequently purchased and/or low dollar items, the Division of Purchasing has established mandatory statewide contracts. These contracts generate substantial savings to the state overall by consolidating the volume of several agencies. A list of these contracts is available through the purchasing department and a link has been created on the purchasing home page on the Internet. Of general interest to the University is the statewide office supply contract. An implementation package for this contract can be obtained by calling 282-3111.

## 9. Cash Voucher Purchases

Items of a petty cash nature, limited to \$100.00, may be purchased with personal funds and then reimbursed at the Cashier's Office if the receipt and a Cash Item Voucher are submitted as documentation of the expenditure.

#### 10. Three Hundred Dollar (\$300) Purchase Orders

Three Hundred Dollar (\$300) Purchase Orders are available for the convenience of departments in acquiring incidental supply items while reducing normal paper work and processing time. These pre-numbered order forms, issued by the Purchasing Department, may be used for single transactions up to and including \$300.00 exclusive of freight. More than one three hundred dollar (\$300) purchase order may not be used to purchase one item or several items that exceed \$300.00 for an individual transaction.

It is the responsibility of deans, directors, and department chairpersons to designate the individual(s) authorized to countersign and use these orders.

##### a. Unauthorized Purchases

- (1) ISU department to department (account to account) charges
- (2) Live animals
- (3) Radioactive isotopes
- (4) U.S. Government Printing Office, Library of Congress
- (5) Any travel function
- (6) Registration fees for conferences or workshops held outside of Pocatello
- (7) Honorariums, stipends, salaries and wages, any reimbursement to university employees
- (8) Blanket orders, open orders (single transactions only)
- (9) Items of a predominately personal nature
- (10) Moving expenses
- (11) Postage

##### b. Preparation of Orders

(1) Do not prepare requisitions for use with Three Hundred Dollar (\$300) Purchase Orders. Sufficient information must be included on the purchase order to allow the vendor to service the order and the Business Office to make prompt and accurate payment.

(2) Orders must be executed at the time transactions are accomplished; that is, prior to the receipt of goods and services.

(3) Type all orders. Field work or emergencies may preclude typing, if so print clearly. Obtain authorized signature.

(4) The white "Vendor" copy is provided to the supplier and the green departmental copy is retained by the department. The remaining copies must be received by the Purchasing Department within two (2) working days of the initiation of the order.

(5) Orders must be in the Purchasing Department within two (2) working days of their initiation.

#### c. Prepayments

Complete and sign the Three Hundred Dollar order, retain the green departmental copy and forward all other copies (including the white "vendor" copy) to the Purchasing Department with all invoices, statements, and billings. Be sure to indicate on the order that it is a "PREPAYMENT."

d. Each transaction requires a separate order and each purchase order requires a separate invoice. Forward all invoices promptly to the Purchasing Department. Three Hundred Dollar (\$300) orders cannot be used for back orders, delete and reorder items.

#### 11. Purchasing Card

The purpose of the Purchasing Card Program is to streamline and simplify the requisitioning, purchasing, and payment process for small dollar transactions. The Program is designed to facilitate the approval process and reduce the paperwork of procurement procedures such as purchase orders, petty cash, check requests, and expense reimbursements. The goals of the Program are to:

a. Reduce the cost of processing small dollar purchases.

b. Receive faster delivery of required merchandise.

c. Simplify the buying and payment processes.

d. Provide cardholders with empowerment to choose!

Purchasing Services will provide you with the particulars of the Program, including general guidelines, reconciliation and record keeping procedures, and customer service information. Contact one of the Purchasing Card Administrators at 282-3111.

#### 12. Purchase Order

The Purchase Order is prepared by the Purchasing Department from the departmental requisition and copies sent to the vendor and appropriate departments. Only the Purchasing Department may assign a purchase order number to a requisition.

a. Requests for Cancellation or Modification

Requests for cancellation or modification of purchase orders, including an increase or decrease in the dollar amount of the order, should be submitted to the Purchasing Department, in writing, by an officially designated individual, stating the reason for the change and referring to the purchase order number and vendor's name and address.

An official notification to the vendor will be sent via a University Change Order.

b. Damages and Shortages

In cases of damage or shortage of shipment, a written report should be submitted immediately to the Receiving Department, including the following details: purchase order number, date, vendor, extent of damage or shortage. Government regulations require the University to file claims within a specific number of days. Failure to comply with these regulations could result in a rejection of the claim.

c. Mistakes in Shipping or Invoicing

Mistakes in shipping or invoicing should be reported promptly in writing to the Purchasing Department referring to the Purchase Order number and vendor involved. Departments should give sufficient details concerning the mistake so the proper steps can be taken to correct the error with the vendor.

d. Returns for Credit

When a vendor has shipped items as specified on a purchase order, it has legally complied with its part of the contract and is under no obligation to accept for credit any of the items delivered as specified. Acceptance of a return by the vendor is by no means automatic, and a restocking charge may be incurred. This charge is assessed to the requisitioning department.

Requests for permission to return supplies or equipment to the vendor for adjustment or credit must be cleared through the Purchasing Department. Credit memos received by a department should be forwarded to the Purchasing Department. Returns or adjustments which affect the encumbered amount of the purchase order should be processed through the Purchasing Office via a Change Order Notice.

e. Emergency Orders

Emergency orders must be kept to a minimum. Generally, emergency order procedures will not be used unless the savings realized by normal procurement practices would be offset by a corresponding or greater loss to the department as a result of the delay.

(1) Failure to anticipate a need is not, of itself, considered a bona fide emergency.

(2) To initiate an emergency purchase, the authorized person in the department must contact the Purchasing Department for a purchase order number. An explanation of the nature of the emergency, as well as the vendor's name and address must be provided. This procedure must be followed up with a "confirming" requisition sent to the Purchasing Department within two working days of the date the purchase order number was given. The confirming requisition should indicate the purchase order number and the statement "Confirming."

#### f. Government Surplus

The Purchasing Department has full responsibility for the acquisition and disposal of all government surplus. Requests for the acquisition or disposal of government surplus must be submitted, in writing, to the Purchasing Department.

#### g. Narcotics

Orders for controlled substances (narcotics, barbiturates, tranquilizers, etc.) must have a State Controlled Substance license number noted. A licensed investigator must submit a completed United States Government Order for dangerous drugs with a properly executed requisition.

#### h. Personal Orders

Because of the tax exempt status of the University, the Purchasing Department cannot issue purchase orders for personal purchases. Purchasing Department staff members will be happy to suggest possible sources that may offer a discount.

Vendors are under no obligation to offer discounts to individuals, and do so with the understanding that their offers place the University Purchasing Department under no obligation to do business with them except within strict business practices.

#### i. Radioactive Materials

Requisitions for radioactive material should be so designated and sent to the Radiation Safety Officer for approval before forwarding to the Purchasing Department.

Requisitions will be processed by the Purchasing Department only after receiving approval of the University Radiation Safety Officer.

### 13. Vendors

Vendors are selected for their capability to serve the needs of the University in the most economical and efficient manner possible. Past performance and cooperation are important factors. Vendors must comply with the Equal Opportunity Act (Executive Order 11246 as amended) since it is the policy of the University to promote the full realization of equal

employment opportunity through an Affirmative Action program. They must also comply with other laws and directives as they are issued.

- a. The University is committed to the principles of Affirmative Action and shall endeavor to apply these principles in its purchasing with the objective of fostering greater participation by disadvantaged and women owned enterprises in its procurement activity.
- b. A sole source purchase, one wherein an item that is needed can only be purchased from a single source, makes it impossible to obtain competitive bids. Documentation may be required from the requisitioning department to justify why the technical characteristics inherent to an item make it essential to a project, thus giving it preference over an other brand of lower cost but similar capabilities. Final responsibility in determining whether an item is proprietary and may be purchased from a sole source rests with the Purchasing Department.
- c. The Purchasing Department maintains a list of vendors. Invitations to bid are solicited from these vendors to stimulate viable competitive bidding.
- d. Requisitioning departments are encouraged to suggest sources of supply for unusual items. Authority for the final selection of the vendor, however, shall be left to the Purchasing Department, which will make its decision in the best interest of the University.
- e. Vendors doing business with the University for the first time are carefully evaluated on their performance. In addition, references are checked, formal interviews conducted when possible and government bidder lists checked to verify their status as qualified vendors.
- f. University employees wishing to see samples or have equipment demonstrated should contact the appropriate commodity buyer in the Purchasing Department for assistance.
- g. University personnel who find it necessary to contact sales representatives directly are reminded to advise the prospective vendor that a purchase order will be issued by the Purchasing Department should a procurement decision be made.
- h. Vendors are to provide their own insurance coverage for any material left at the University.

#### 14. Requests for Quotations

Competitive quotations are solicited by the Purchasing Department in accordance with the guidelines listed below. In the event the requisitioning department has obtained quotations, this information should accompany the requisition. The Purchasing Department will evaluate the transaction and decide how to proceed.

Competitive quotations will be secured in accordance with the following guidelines:

- a. \$1-5,000 — Quotations may or may not be solicited.

b. \$5,001-50,000 — The Purchasing Department will attempt to obtain quotations, either in writing or by telephone, depending on the competitive nature of the items requested. Three (3) quotations must be from vendors having a significant Idaho presence.

c. \$50,001 & Up — A State of Idaho Requisition (DA 1) will be forwarded to the Division of Purchasing, Department of Administration.

The requisitioning department may not use multiple requisitions to circumvent the quotation process.

Vendors are responsible for the accuracy of their quoted prices. In the event of a discrepancy between a unit price and its extension, the unit price will govern. Quotations may be amended or withdrawn by the bidder up to the quote opening date and time. After that time in the event of an error, quotes may not be amended but may be withdrawn prior to the acceptance of the quote. After an order has been issued, no quote may be withdrawn or amended unless the Purchasing Department considers the change to be in the University's best interests.

Vendors are responsible for ensuring that their quotations are received in the Purchasing Department no later than the appointed hour of the bid opening date as specified on the request for quotations. Late quotations will not be considered and will not be opened. All quotations will be date and time stamped as proof that they were received prior to the requested date and time.

Price quotations become public information at the appointed opening date time. Confidential material included in quotes or proposals may be submitted and marked separately "confidential" and will not be considered part of the public file.

## 15. Insurance

Prior to the commencement of any work or service for the University, evidence of appropriate insurance coverage must be submitted by the vendor to the Purchasing Office.

## 16. Leases

All forms of lease, lease purchase or rental agreements for the procurement of materials or services must be signed on behalf of the University by the Director of Purchasing.

Regardless of the time period involved in these agreements, a formal University purchase order will be issued. The using department should indicate whether it is a new or renewal agreement. When possible, a copy of the proposed lease agreement should accompany the requisition.

Prior to accepting lease agreements as submitted by the requisitioning department, the Purchasing Department will analyze them to determine the economic soundness of whether the goods or services should be leased or purchased.

Some of the factors considered in making a determination are as follows:

- a. Title — who retains title to the equipment?
- b. Liability — who is responsible if equipment is stolen or damaged?
- c. Insurance — does vendor carry sufficient insurance on his employees when rendering services and/or is the equipment adequately insured?
- d. Maintenance — are all maintenance costs included in the original cost of the lease or is the University responsible to maintain the equipment at its own expense?
- e. Pay Back Period — if the University were to make an outright purchase, what is the pay back period, and what credits are accumulated in the event that a purchase is later found desirable? A final and important consideration in determining lease versus purchase is the availability of funds. Does the requisitioning department have sufficient budget funds or, in the event of grant or contract funds, does the source of funding provide for this type of expenditure?

## 17. Sales Agreements

It is in the best interest of the University to refrain from signing vendor sales agreements.

- a. If a vendor requires its document to be signed, the Director of Purchasing will sign for the University, only after a properly executed requisition is received. A copy of the agreement will be retained in the Purchasing Department.
- b. Certain items of equipment are covered by service contracts in order to assure their continuing efficient operation. Forms required by service companies must be signed on behalf of the University by the Director of Purchasing and forwarded to the company with a purchase order.

## 18. Order Policy Exceptions

- a. The purchase of duty free alcohol requires a federal license, and must be handled in accordance with strict federal guidelines. The University's license is held in the name of the Department of Biological Sciences. The ordering, receiving, storing under controlled conditions, and dispensing of this material according to federal regulations is the responsibility of the Biology Department.

Only those departments listed on the permit may use this duty free alcohol. Transfer of the alcohol within the university is initiated when an authorized department sends a requisition to the Biology Department. Payment is made internally by the Accounting Department, using the requisition and an invoice furnished by the Biology Department.

- b. The University will pay for alcoholic beverages only in those circumstances covered by the Official/Social Functions Guidelines policy available from the Office of the Financial Vice President.

c. Alterations and renovations are generally contracted by the Physical Plant but may, in minor cases, be initiated by requisition.

d. This policy is not intended to cover living biological specimens such as amoeba, other invertebrates and fish. This policy is intended to cover animals such as frogs, mice, rats, guinea pigs, rabbits, dogs and larger animals which require the preparation of living quarters, and the availability of food.

(1) Persons intending to use live animals in their work, either teaching or research, must have the prior approval of the Animal Welfare Committee, Department of Biological Sciences.

(2) All orders for live animals must be coordinated with the Animal Lab Supervisor, Department of Biological Sciences.

(3) All orders for live animals must be processed through the Purchasing Department. The Purchasing Department will forward a copy of the order to the Animal Laboratory Supervisor.

#### 19. Bookstore

Purchases up to \$500 may be made directly from the University Bookstore. Forms for this purpose may be obtained from the book store upon request.

#### 20. Central Stores

The University has a Central Stores activity. Central Stores is operated on a non-profit basis for the convenience of all departments and for greater economy in purchasing. By purchasing high demand items in large quantities, it is able to offer supplies of good quality to departments at prices below those of local vendors. In addition, by purchasing in large quantities, accounting and administrative costs are substantially reduced and savings realized. A Central Stores catalog and ordering information may be obtained by contacting that office.

#### 21. Printing

The University provides printing services through the Office of Print Media Services and the College of Technology Graphic Arts Department. Available services include printing, photography, photo-typesetting, graphics, and other media services. For on campus printing work, departments may negotiate directly with these areas. When the services of an outside printer are required, the requisitioning department should contact the Office of Print Media Services.

#### 22. Sales Tax

The University is exempt from State and City Sales and Use Tax. When requested, the Purchasing Department will furnish a copy of the university's tax exemption authority with the purchase order.

In addition, other cities and states impose sales taxes for commodities purchased for University projects and delivered within their states. Some of these states have allowed the University an exemption from sales taxes. Tax-exemption forms are on file in the Purchasing Department and will be furnished with the purchase order when requested.

### 23. Small Orders

The goal is to increase the dollar value and decrease the frequency of small orders through better planning and consolidation. Where possible, the facilities of the various storerooms should be used thus eliminating the need to handle transactions which are uneconomical. This will help reduce costs to the University caused by negotiating and placing orders, and the related administrative work and costs.

### 24. Travel

Generally, purchase orders are not issued for travel expenses. Exceptions may be made for student group travel or special coordination of workshops, conferences, or seminars.

The proper form to be used is the Travel Authorization Form, which may be obtained from the Accounts Payable Office.

### 25. Textbooks

#### a. Departmental Approval

Each department shall establish procedures for review, on a periodic basis, of the textbooks, materials or supplemental materials authorized or compiled by faculty or staff to be used in departmental courses in which the faculty or staff member derives some form of income for the use of the textbooks, materials or supplemental materials. Such review may be conducted by the departmental chair, his or her designee, or by a committee appointed by the department chair. The purpose of the review shall be to maintain the quality and contemporariness of and compliance with the other provisions of this section, textbooks, materials and supplemental materials used within the department. The reviewer(s) must not have a conflict of interest as defined in Part 4, Section I.B and Part 5, Section IV.C.5 of this handbook, and the Idaho State Board of Education Conflict of Interest and Ethical Conduct Policy.

#### b. Textbooks, Materials and Supplemental Materials Authored by ISU Faculty or Staff

A faculty or staff member must submit for review in accordance with departmental procedures established pursuant to subsection (a) textbooks, materials or supplemental materials authored by him or her for use in the faculty or staff member's own course(s). The faculty or staff member may not receive a \*royalty in excess of fifteen percent (15%) or the actual production costs (including, but not limited to, such costs as copying, binding and permission fees), for custom-published textbooks, materials and supplemental materials. Royalty rates for textbooks, materials or supplemental materials which are published by an established publisher for the broader market may be negotiated by the author(s) with the publisher.

\* “Royalty,” as used here, means the individual author(s)’ compensation for authoring the textbook, materials or supplemental materials.

c. Departmentally Produced Textbooks, Materials and Supplemental Materials

For textbooks, materials and supplemental materials produced by or for an ISU department for use in ISU courses, a markup/royalty of not more than fifteen percent (15%) of the actual production costs shall be permitted.

d. Direct Sale and Re-sale

Faculty and staff members are prohibited from purchasing textbooks, materials and supplemental materials for direct sale to students and/or for re-sale to the University bookstore.

26. Utilities

Purchases involving the use or installation of utilities (gas, water, electricity, or steam) which require the services of an engineer must be approved by the Physical Plant before a purchase order is issued.

---

[ [Table of Contents](#) ] [ [Back to Part 5](#) ] [ [Back to Part 5 Section IV](#) ] [ [Previous Section](#) ] [ [Next Section](#) ]

---