



# **Park University**

## **Purchasing Policy**



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1. **Mission Statement.**

The Park University (“University”) Purchasing Services Department (the “Department”) will work with all University departments to assist them in obtaining goods and services, which will balance quality, cost and delivery, for the benefit of the University.

2. **Function of the Park University Purchasing Department (“Department”).**

**The Department will:**

Assist in screening, selecting and approving vendors.

Establish and maintain an approved vendor list with tax identification numbers to be used on 1099s.

Oversee bid processes:

Review purchase requisitions for budget control

Issue purchase orders

Execute approved change orders to existing purchase orders

Cancel previously issued purchase orders as needed

Release unused encumbered sums

Assist departments with the returns of tangible personal property

Establish and maintain a receiving program for the Parkville Campus Center

Negotiate contracts for goods and services with vendors

Process check requests

Process and manage the University’s Business Procurement Card program

Process University business card requests

Process University name tag request

Provide support assistance to University departments/employees and vendors.



3. **Purchasing Department Philosophy.**

The underlying philosophy of the Department is based on the:

- National Association of Purchasing Managers Principles and Standards of Purchasing Practice

and

- National Association of Education Buyers Code of Ethics

4. Principles and Standards of Purchasing Practice.

*The following National Association of Purchasing Managers (NAPM) Principles and Standards of Purchasing Practice are made a part of this Policy.*

Principles: Loyalty to your organization; justice to those with whom you deal; faith in your profession.

From these principles are derived the NAPM standards of purchasing practices

- Avoid the intent and appearance of unethical or compromising practice in relationships, actions, and communications.
- Demonstrate loyalty to the University by diligently following the lawful instructions of the employer, using reasonable care and only authority granted.
- Refrain from any private business or professional activity that would create a conflict between personal interests and the interests of the University.
- Refrain from soliciting or accepting money, loans, credits, or prejudicial discounts, and the acceptance of gifts, entertainment, favor, or services from present or potential suppliers that might influence, or appear to influence, purchasing decisions.
- Handle confidential or proprietary information belonging to University or suppliers with due care and proper consideration of ethical and legal ramifications and governmental regulations.
- Promote positive supplier relationships through courtesy and impartiality in all phases of the purchasing cycle.
- Refrain from reciprocal agreements that restrain competition.
- Know and obey the letter and spirit of laws governing the purchasing decisions.
- Encourage all segments of society to participate by demonstrating support for small, disadvantaged, and minority-owned businesses.
- Discourage the Department's involvement in employer-sponsored programs of personal purchases that are not business related.
- Enhance the proficiency and stature of the purchasing profession by acquiring and maintaining current technical knowledge and the highest standards of ethical behavior.



- Conduct international purchasing in accordance with the laws, customs, and practices of foreign countries, consistent with United States laws, your organization policies, and these Ethical Standards and Guidelines.

5. **National Association of Education Buyers Code of Ethics.**

- Give first consideration to the objectives and policies of my institution.
- Strive to obtain the maximum value for each dollar expenditure.
- Decline personal gifts or gratuities.
- Grant all competitive suppliers equal consideration insofar as state or federal statute and institutional policy permit.
- Conduct business with potential and current suppliers in an atmosphere of good faith, devoid of intentional misrepresentation.
- Demand honesty in sales representation whether offered through the medium of a verbal or written statement, an advertisement, or a sample of the product.
- Receive consent of originator of proprietary ideas and designs before using them for competitive purchasing purpose.
- Make every reasonable effort to negotiate an equitable and mutually agreeable settlement of any controversy with a supplier; and/or be willing to submit any major controversies to arbitration or other third party review, insofar as the established policies of my institution permit.
- Accord a prompt and courteous reception insofar as conditions permit to all who call on legitimate business missions.
- Cooperate with trade, industrial and professional associations, and with governmental and private agencies for the purposes of promoting and developing sound business methods.
- Foster fair, ethical and legal trade practices.
- Counsel and cooperate with NAEB members and promote a spirit of unity and a keen interest in professional growth among them.

**Approved NAEB**

6. **Statement of Purpose and Objectives.**

- This purchasing policy endeavors to insure that University employees adhere to the University's standard purchasing practices and all requirements imposed by federal, state, and local laws.
- The primary responsibility of the Department is to assist in the purchase of goods and services at the proper time, in the proper place, in the quantity, quality, and price consistent with the University's needs.



- Achieving these primary objectives, including the responsibility, authorities, and guidelines set forth in this policy, and related policies and procedures, is the responsibility of all employees.

7. **Administration and Interpretation.**

This policy and the procedures outlined are administered by the Office of The Vice President of Finance and Administration and the Office of the Director of Business and Institutional Services. Questions regarding the Policy should be directed to those offices.

8. **Purchasing Law.**

*General*

1. University buyers (“Buyer(s)”) should have sufficient knowledge of the law to understand the Buyer’s authority, and the legal consequences of the actions taken in the University’s name.
2. Acts of purchasing agents, Buyers, and other authorized personnel are binding upon the University, within the limits of their authority. However, they may also bind the University when they exceed their actual authority.

*Personal Liability*

1. Buyers represent the University in buying transactions and are governed by the law of agency. As an agent of the University, Buyer has such “express authority” as is granted by the University.
2. In transactions and dealings outside the University, a Buyer is also considered to have the “apparent authority” that is ordinarily vested in buying personnel. Within this “apparent authority” Buyer’s acts will bind the University even if Buyer exceeds or violates the actual authority granted.
3. So long as a Buyer acts within a Buyer’s scope of “express authority” and is neither negligent, dishonest, nor acting in bad faith, a Buyer will not become personally liable for such actions. Personal liability may occur, however, if a Buyer exceeds the scope of the Buyer’s authority. A Buyer is always liable for tortuous acts, such as assault and battery.
4. To protect against personal liability, the a Buyer must avoid the following:
  - a. making a false statement about the Buyer’s authority.
  - b. making any false statement with an intent to deceive;
  - c. taking any action without authority that could result in damages to another;
  - d. performing an illegal act, even with the authorization of the University;
  - e. performing any damaging act outside a Buyer’s scope of authority.

9. **Vendor Policy.**

*Vendors*

1. Definition: A vendor is an outside source of goods and services to the University community.



2. The University uses a list of approved vendors that is maintained by the Department.

Vendor's Obligations

1. To handle all written and personal communications with the University through the Department unless instructed by the Department, for technical reasons, to do otherwise; in which case the Department is to receive copies of all correspondence and be kept informed of any oral communications.
2. To negotiate purchasing contracts and all sales with the Department only.
3. To conduct negotiations ethically, without attempts to influence the Department by offering valuable personal gifts or entertainment.
4. To make available through the Department or other designated University representatives all available technical, engineering, systems, policies, services, which might improve the vendor's present or future use of supplier's products and services.

10. **Vendor Relations.**

1. It is the Park University policy to maintain and practice the highest possible standards of business ethics, professional courtesy, and competence in all dealings. At all times, all laws must be scrupulously observed. In this regard the following should be observed when dealing with suppliers and their representatives:
  - Accord prompt and receptive, as well as, fair and equal treatment, to all vendors and their representatives.
  - Provide equal opportunity for all vendors to make price and specifications quotations.
  - Guarantee the confidentiality of all specifications and price quotations made by vendors.
  - Decline to take advantage of vendor's errors and show consideration for vendor's difficulties by cooperation whenever possible.
  - Avoid putting vendor to unnecessary expense or inconvenience on returned goods.
  - Explain as clearly and fully as possible to vendors the reason for rejection of their bids/proposals.
  - Do not assume any obligations to any vendor.
  - Keep informed about sources of supply, methods, services, and materials, and encourage their testing.
  - If, for any reason, one vendor is permitted to requote, that vendor's competitors will be given the same opportunity. Requoting should be restricted to an absolute minimum.



11. **Confidentiality.**

1. It is recognized that most of the transactions relating to the Department are confidential, especially with regard to the University's vendors. It is considered unethical and illegal, as well as damaging to the University's competitive position, to allow proprietary information about one vendor's quotation to pass to another vendor.
2. Passage of pricing, technologic or strategic information from a University employee to an employee of a competitor is not only unethical, but might be a violation of the antitrust laws and should be scrupulously avoided.

12. **Bids and Quotations.**

**Bids**

Definition – a bid is a document solicited from a group of approved vendors stating quantity, price, delivery, and any other information necessary to the procurement of the goods and/or services bid upon. Bids are used to either procure the good or service at a reasonable cost and/or to lock in firm pricing for a certain period of time. Bids are solicited by the University from two or more approved vendors.

**Quotations**

- Definition – a quotation is an informal bid using only one approved vendor for pricing purposes only.
- Quotations are usually solicited for items such as furniture, fixtures, etc. to obtain current pricing. This type of bid is used to allow departments to make budget decisions. Price, quantity, and delivery are usually listed on the quotation. A quotation is usually valid for 30 days.

13. **Required Authorizations.**

**Purchase Order Requisitions**

- Requisitions over \$100 but less than \$500 require Departmental approval.
- Requisitions over \$500 but less than \$10,000 require Departmental approval and area vice-president approval and may require bidding.
- Requisitions over \$10,000 are subject to bid and require Departmental approval, area vice-president approval and presidential approval or approval by the executive staff.

14. **Business Procurement Card.**

The University's Business Procurement Card (BPC) program delegates the authority and capability of purchasing low dollar items directly to designated cardholders, allowing them to purchase items faster and easier than before. This program is to be used to purchase small dollar value items within the cardholders



approved dollar limit. This program in no way supersedes the University's existing purchase order program.

It will no longer be necessary for the cardholder to create a purchase requisition prior to purchasing small dollar items within the cardholder's limit.

The BPC will also be used for travel advances.

Purchases are subject to the user's purchase card limit and available departmental budget.

On a daily basis the BPC holder's appropriate budget line item will be charged for each purchase made. BPC payments will be processed by Accounts Payable.

Purchases must be for the use and benefit of Park University. **NO PERSONAL PURCHASES ARE ALLOWED.**

A Buyer You are responsible for the security of this BPC and the transactions made against it. The card is issued in a Buyer's name and any purchases made against the card will be that Buyer's responsibility. Any use of the BPC not in accordance with guidelines established may result in personal liability.

15. **Financial Responsibility.**

1. Property to which the University takes title or services to be performed for the University must be requested, authorized, received and paid in accordance with stated University policies and procedures.
2. Commitments for goods or services for which the University is financially responsible must be authorized through University procedures or as defined by other specific policies.
3. Individuals making unauthorized commitments or purchases in the name of the University may be personal liability for any and all incurred expenses and/or disciplinary action, including but not limited to loss of purchase card privileges.
4. Goods and services acquired by the University may be financed by lease, loan, bond issue, or purchased in cash. The decision to enter into an agreement to buy goods or services other than cash will be dependent upon which is the most cost effective method for the University. Economic conditions may dictate that the best way for the University to acquire the product is by one of the methods mentioned above. The University reviews these types of purchases on an individual basis. Such reviews will be done by the Vice-President for Finance and Administration to determine what method of financing will be the most cost effective for the University.

16. **Contracts.**

1. Definition – A contract is a legal document binding the University and vendor to the written terms.
2. Contracts which obligate the University must be signed by at least one of the following individuals:
  - a. Chair of the Board of Trustees
  - b. President of the University



- c. Vice-President for Finance and Administration
  - d. Another authorized University officer
3. All contractual documents relating to goods and services must be forwarded to the Department for final processing, permanent safe keeping, and periodic review.

17. **Contract Negotiations.**

- 1. The Director of Business and Institutional Services has the responsibility of ensuring that all contract negotiations conducted on behalf of the University by University employees are consistent and within the policy and practices contained in this Policy.
- 2. As part of this responsibility, the Director of Business and Institutional Services will develop appropriate checklists to serve participants in the negotiation process. Checklist topics may include basis for award, blanket purchase orders, contracts and agreement, import purchasing, negotiations, specifications, prospective suppliers, terms and conditions, and department requirements.

18. **Contracts Accompanied by Purchase Order.**

All contracts, obligating the financial resources of Park University, must be accompanied by a purchase order before the contract will be reviewed by the Vice President for Finance and Administration.

Please follow these Procedures:

- 1. A purchase requisition must be written for the total dollar amount of the contract stating “signed contract pending”.
- 2. The contract must normally be delivered to the Department.
- 3. A purchase order will be written, attached to the contract, and hand delivered to the Vice President for Finance and Administration.
- 4. If the contract is approved, it will be signed and the vendor’s copy of the purchase order will be attached to it.
- 5. If the contract is rejected, it will not be signed and the vendor’s copy of the purchase order will be returned to the purchasing department marked “terminate”.

19. **Requisition to Purchase.**

- 1. Definition – A purchase requisition is used to request goods and services for use by the University.

20. **Purchase Orders.**

- 1. Definition -- A purchase order is a legal document which once executed on behalf of them constitutes a contract between the University and the vendor.
- 2. Kinds of Purchase Orders



- Standard Purchase Order – one written for specific items and/or services with a one-time delivery.
- Open/Blanket/Standing Purchase Order – one written for miscellaneous items with a maximum dollar amount and a time limit not to exceed six months. This is used to purchase repetitive items several times in which writing a purchase order each time would not be time and/or cost effective.

**21. Bill Payment.**

All bills will be paid by the University directly from the invoice. The invoice must be accompanied by the pink copy of the purchase order authorizing payment. If there is not a purchase order the invoice must be signed by an authorized employee and must include the account number to be charged. Remember all purchases over \$100.00 require a purchase order – see open purchase orders

Do not attach invoices to a departmental check request.

**22. Check Requests.**

- Departmental check request eForms are used to initiate the check payment process.
- Departmental check eForms are used to pay for goods and services where a purchase order or procurement card is not acceptable or impractical. It can also be used as a pre-pay for items if there is a pre-pay discount with the vendor.
- This check eForm is also used to request payment for goods purchased by individuals for the University. The following governs reimbursement of goods purchased:
  - a) The reimbursement cannot exceed \$100 without prior approval of the department head and Office of Business and Institutional Services and/or Vice-President for Finance and Administration.
  - b) The goods purchased were essential and/or of a unique nature and could not be purchased through current approved channels.
- All check requests over \$500.00 require a vice president's electronic signature.
- Department check requests are used only for following:
  - Reimbursement (not covered by a trip approval request)
  - Registration fees (only when a purchase card is not accepted)
  - Referee fees (athletic events)
  - USPS (when purchase card is not acceptable)
  - Do not attach invoices to department check requests. See bill payment.
- Student check eForms are used to pay student refunds and/or loans.
- All requests for checks must be signed by requestor, department head, and any other individuals required by current policies. They are then forwarded to Purchasing for budget review and



approval, then sent to Accounting for final approval and issuance of check. No employee may approve their own reimbursement forms nor a check request issued in their name.

- All checks, following recommended audit procedures, will be mailed to vendors.

23. **Sales Tax.**

The University will not pay sales tax on any goods or services purchased where the University has exempt form payment of those taxes. There are some use taxes the University is required to pay, these will be reimbursed.

24. **Credit Cards.**

1. Definition – A credit card is representation of a line of credit issued to the University by a financial institution.
2. Credit cards are used by the University to conduct business when purchase orders are unacceptable. The use of personal credit cards is expressly discouraged. The following is a partial list of the types of credit cards currently held by Park University and who currently has access to such:
  - a) Bank Cards – Master Card – Executive staff
  - b) Gasoline Cards – Conoco –Environmental Service
  - c) Department Store Cards – Sears – used only as line of credit for purchase order acceptance. Card is available in the office of Business & Institutional Services.
  - d) Office Supply Card – Office Max – Purchasing only. Used only in extreme emergencies. Card is available in the office of Business & Institutional Services.
  - e) Business Procurement Card – these cards are issued to various individuals who travel and/or make purchases on behalf of Park University. Failure to comply with the purchasing card guidelines will result in the loss of purchasing card privileges.

25. **Receiving.**

1. Goods delivered to the University by vendors are processed through the Mail Services Department, located in the Mabee Learning Center.

26. **Product Endorsements.**

Requests for approval of a news release or advertisement stating that the University, or any of its operation units or personnel, uses a product made or service offered by another firm shall be referred to the Office of University Advancement. Such a request may be approved, *provided* no endorsement is implied, suggested, or stated, and *further provided* that the release or advertisement does not state or imply that the product or service is used on a University-wide basis, or at any other location not specifically part of the release of advertisement.

27. **Food Service.**



Food service on the Parkville campus is provided through the current food service contractor. The use of any off-campus food provider for special events is permissible with the proper administrative approvals.

**28. Office Supplies.**

All office supplies will be purchased through the primary approved vendor(s) for such supplies. If items are needed in an emergency, Purchasing must clear the request before the purchase.

**29. Computer: Hardware and Software.**

All purchases of computer hardware and software must be approved through Information Technology Services if technical support will be requested from this department. Any and all computers, peripherals, and software not cleared through Information Technology Services will not be serviced by that department and will be in conflict with University policy.

**30. Office Furniture.**

All office furniture must be purchased through the current approved vendor and is required to fall within the range of specifications given. A catalog showing types, styles, and specifications is available in the Office of Business & Institutional Services.

**31. Business Cards.**

Requests for business cards are to be sent, via the business card eForm, to the Assistant Director of Purchasing Services, with approved account number for processing.

**32. Name Badges.**

Requests for name badges are to be e-mailed to the Assistant Director of Purchasing Services, with approved account number for processing.

**33. Purchasing by Employees.**

Employees may purchase through the University materials that are purchased on a regular basis, provided that the procurement does not interfere with the normal activities of the University and the vendor agrees to such sales to employees at University cost. The cost to the employee will be the same charged the University by its vendor plus any and all applicable taxes and is to be paid by the employee at the time the materials is received by the employee. The purchase requisition will be used by the employee and approved by the area Vice President before the purchase will be made.

**34. Purchases from Employees.**

It is the policy of the University not to purchase any goods or services from any employee or close relative of employee without the prior written consent of the Vice President for Finance & Administration or the President.

**35. Work on University Premises.**

Work on University premises by other than University employees is not to start prior to the vendors' acceptance of the "indemnification and hold harmless" clause of agreement contained in the standard purchase order form and the execution of a "Certificate of Insurance" with the University as a named insured. The Vice President for Finance &



Administration will be requested to review and approve any changes to the said agreement prior to the acceptance by the company.