

Financial & Budget Administration Policies & Procedures Manual

PURCHASING ACTIVITIES

SECTION 6

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Appendix:

- 1 *University Cell Phone Policy and Procedures*
 - *University Cell Phone Administrative Policy*
 - *Implementation Procedures for the University Cell Phone Administrative Policy*

6.00 Administrative Responsibilities

It is University Purchasing's responsibility to organize and administer the procurement function for all departments of the University, in accordance with the *Code of Virginia* and the applicable State policies and procedures. These responsibilities include the following:

1. to provide the proper quantity and quality of products and services at the appropriate time and location required by the institution;
2. to secure such products and services at competitive prices, consistent with prevailing economic conditions;
3. to furnish the faculty, staff, and management of the institution with timely information and advice as to how market conditions and trends could affect the future availability and price of materials;
4. to ensure that professionalism is not only promoted but also maintained by the procurement staff; and,
5. to ensure that all procurements are conducted in a fair and impartial manner with avoidance of any impropriety or appearance of impropriety.

In order to ensure that goods and services are obtained in the most cost efficient and timely manner, departments have the responsibility to:

1. anticipate departmental needs in advance of the actual delivery requirements in order to allow all interested vendors to compete on the items or services;
2. anticipate departmental needs in advance, in order to avoid last minute rush orders as well as numerous small repetitive orders over a short period of time;
3. consolidate similar items that can be supplied from one vendor onto a single requisition;
4. provide clear and complete specifications on items to be purchased, including the important features or functional requirements of the item, in addition to the brand name and model number;
5. identify a required delivery date when delivery time is to be a consideration in the evaluation of bid responses;
6. identify "equal" brands and models which can perform the required functions, whenever possible;
7. use only current catalogs and catalog numbers for items to be requisitioned;
8. document and communicate poor or unsatisfactory vendor performance to University Purchasing; and,
9. procure goods and services within their delegated authority, in accordance with stated policies and procedures.

6.01 Application of the Management Agreement

Virginia Commonwealth University has entered into a Management Agreement with the Commonwealth of Virginia in compliance with the Restructured Higher Education Financial and Administrative Operations Act of 2005. As a part of the Management Agreement, a "Rules" document was created to address procurement procedures. The Management Agreement and Rules document apply to all purchases and procurements, regardless of the source of funding and the purpose for which the goods and services are to be used. The term "procurement" includes leasing as well as purchasing. If there is uncertainty about the precise terms and provisions of

the Management Agreement and Rules Document, including the narrow and legally recognized exceptions (i.e. sponsored programs sub-awards and certain real estate transactions), the department may contact [University Purchasing](#) for additional information and guidance on the subject.

In the case of gifts or grants to the University, no commitments can be made with regard to the procurement of goods or services. The grantor or donor should be so informed. For example, a donor may not specify that a gift is conditioned upon the future purchase or lease of goods or services from the donor or that a particular brand or source of equipment be specified.

Any proprietary or sole source procurement request requires careful attention. Special procedures are applicable to such requests and the advice of University Purchasing should be sought at the earliest opportunity. In addition, University Purchasing must be fully informed of any special circumstances or relationships which may exist between the University, or any of its members, and the recommended vendor.

6.02 Ethics in Public Contracting

The University has a Conflict of Interest Policy which establishes parameters for individuals involved in procurement transactions. The policy precludes individuals from participating in the procurement process under certain circumstances (i.e. the employee is contemporaneously employed by a company involved in the procurement transaction; the employee's immediate family holds a position with a company involved in the procurement transaction; the employee or any member of the employee's immediate family has a pecuniary interest arising from the procurement transaction; etc.). Because of the extraordinary trust and responsibility exercised by University employees conducting procurement transactions, and because of the legitimate expectation by the public that this trust and responsibility be exercised properly, State laws dictate a higher standard of conduct for employees involved in the procurement process. Employees and vendors must be cognizant of these laws which include the Virginia Public Procurement Act, the State and Local Government Conflict of Interests Act, and the Governmental Frauds Act. All University employees having responsibility for procurement transactions shall conduct business with vendors in a manner above reproach in every respect. Transactions relating to the expenditure of public funds require the highest degree of public trust.

University employees having administrative or operating authority, whether intermediate or final, to initiate, approve, disapprove, or otherwise affect a procurement transaction, or any claim resulting therefrom:

1. shall not solicit, demand, accept, or agree to accept from a bidder, offeror, contractor or subcontractor any payment, loan, subscription, advance, deposit of money, services, gifts, transportation, lodging, meals, tickets to events or shows or anything else of value.
2. shall not accept employment from any bidder, offeror or contractor with whom the employee or former employee dealt in an official capacity concerning procurement transactions for a period of one year from the cessation of employment by the state unless the employee or former employee provides written notification to the head of the state agency prior to commencement of employment by that bidder, offeror or contractor (*Code of Virginia*,

Section 2.2-4370).

In some situations it may be necessary for University personnel to make site visits to evaluate vendor capability and equipment. If site visits are required for evaluation purposes the University and not the vendors being evaluated should pay for such visits. Exceptions to this policy can be made by the respective Vice President. Any exception must be made on a case by case basis. University employees making such site visits will incur and recover travel costs from the University in accordance with state travel regulations. No direct reimbursement of individuals by a vendor is permitted. The University will determine all costs incurred by University employees in connection with the site visit and bill the appropriate vendor for reimbursement of costs by means of a check payable to the University.

University employees having official responsibility for procurement transactions may attend vendor-sponsored seminars or trade shows where they will benefit from receiving product information and learning of new techniques and product or service trends. Food, drinks and give-away items offered to all participants at such functions may be accepted by University employees attending.

All personnel having official responsibility for procurement transactions shall be knowledgeable about the provisions of Article 4, Sections 2.2-4367 through 2.2-4377, *Code of Virginia*, entitled "Ethics in Public Contracting." No public employee having official responsibility for a procurement transaction shall knowingly falsify, conceal, or misrepresent a material fact; knowingly make any false, fictitious or fraudulent statements or representations; or make or use any false writing or document knowing the same to contain any false, fictitious or fraudulent statement or entry" (*Code of Virginia*, Section 2.2-4376). "Any person convicted of a willful violation of any provision of this article shall be guilty of a Class 1 misdemeanor. Upon conviction, any public employee, in addition to any other fine or penalty provided by law, shall forfeit his employment." (*Code of Virginia*, Section 2.2-4377).

If you have any questions or concerns regarding the Conflict of Interest Policy, please contact the Office of the General Counsel at 8-6610.

6.10 Purchases Requiring Prior Approval

Certain commodities and services require prior approval before issuing an order, regardless of dollar amount. Commodities and services requiring such prior approval are listed below. Questions concerning prior approval requirements and the documentation required for each can be addressed with the appropriate buyer.

INTERNAL APPROVALS:

<u>Item</u>	<u>University Department Granting Approval</u>
Advertising and Marketing Targeted at prospective students	Sue A. Messmer, Chief of Staff Vice President for University Relations
Audio-Visual, Television and	Carol Haley

Photographic Equipment (not on contract and greater than \$7,500)

Media Support Services
P.O. Box 843045
Phone 8-1099

Consulting Services
(approval required regardless of the dollar amount when using State funds).

Vice President / Provost

Telecommunications Equipment
(Note: The purchase of cellular telephones requires the advance approval of the respective area Vice President. [See Appendix 1](#))

Mr. William M. Jones
VCUNet
P. O. Box 843001
Phone 8-9912

Signage (exterior, interior specialty)

Ms. Barbara Rucker, Signage Coordinator
Physical Plant Support Shops
P.O. Box 980166
Phone 8-6625

Architectural/Engineering Services

Ms. Mary P. Cox
Director, Architectural Services
Capital Planning & Facilities Management
P.O. Box 842502
Phone 8-0905

Radioactive Materials

Mr. Opha Peden
Radiation Safety Specialist
O.E.H.S. Radiation Safety Section
P.O. Box 980112
Phone 8-9131

Construction, repair, or improvements to facilities. Portable electric heaters, window air conditioners.

Mr. Ed Bennett, Executive Director
Physical Plant Department
P.O. Box 980166
8-0518

Two-way Radios

Captain Carlton G. Edwards
Campus Police
P. O. Box 842024
8-1196

University Trademark Artwork	Mr. Dan McDonald, Assistant Director, Business Services P. O. Box 980208 8-1180
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Vehicles (requires CP-15 form)	Ms. Emma L. Minor, Manager Parking & Transportation P.O. Box 843002 8-8020 Also , requires approval by: Mr. John M. Bennett, Senior Vice President Finance & Administration
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***NOTE:** *Narcotics/Controlled Substances:* must be ordered on-line through the MCVHA Pharmacy.

REQUIRED EXTERNAL APPROVALS:

<u>Item</u>	<u>State Department Granting Approval</u>
Cost reduction programs and analysis of alternatives	Department of Planning and Budget
Architectural Engineering Services Capital Outlay related services	Division of Engineering & Buildings
Law	Attorney General’s Office

RECOMMENDED APPROVALS:

(Departments should examine the possible use of the following state agencies before engaging an outside consultant.)

<u>Item</u>	<u>State Department Granting Approval</u>
Personnel Management and Employee Relations	Department of Personnel and Training
Financial Controls and Internal Audit Programs	Departments of Accounts
Accounting	Department of Accounts

Insurance Division of Risk Management

Banking and bank-related
Cash Management Department of the Treasury

6.11 Board of Visitors' Approvals

The following types of contracts and documents require the prior approval of the Board of Visitors (or an appropriate committee thereof):

- contracts for the acquisition, sale or conveyance of real estate, regardless of amount;
- contracts for the lease of real estate which have an annual cost of \$250,000 or greater, or which are of a term of five years or greater;
- decisions to pursue (prior to the formal procurement process) the acquisition of goods or services when the projected cost is \$2,000,000 or greater (transactions of \$1,000,000 or more will be reported for information); and,
- initiation of capital outlay projects or change orders having a total projected cost of \$1,000,000 or greater.

6.20 Delegated Purchasing Authority

University departments may procure the following utilizing their delegated purchasing authority (compliance with Section 6.22 Allowable/Non-allowable Expenditures is required):

- goods (including shipping and handling charges) and services without competition up to \$7,500 (excluding firearms; except for VCU Police);
- Certain purchases can be processed as Direct Payments through Accounts Payable. The list of transactions and associated dollar thresholds is available at:
http://www.vcu.edu/procurement/Dponline_list.doc.

If a procurement of \$1,000 or more involves construction, removal, repair or improvement of any building or structure permanently affixed to real property or any other improvement to such real property, the contractor must possess one of the following licenses issued by the State Board of Contractors for the type of work involved:

- contractor license C for all such work exclusive of electrical, plumbing, and HVAC.
- contractor license B or A for all such work including electrical, plumbing, and HVAC.

Contractors must be licensed in the proper classification and specialty to perform the work required. If there is any question whether a licensed contractor is required for a specific procurement, please call [University Purchasing](#) at 828-1077. If you have questions regarding whether a vendor has a valid contractor's license, please call the Board of Contractors at 367-2785. University procedures require that these procurements be reviewed in advance by Physical Plant to ensure compliance with University space planning, safety and maintenance requirements. Please call Physical Plant at 828-9444 for assistance.

In order to provide your department with this purchasing flexibility, compliance with the Management Agreement and Rules Document and the other applicable State rules and regulations must be observed when ordering goods and services. When the department places the order:

- at least one telephone or written price should be obtained and departments should solicit at least one small, woman-owned, or minority-owned firm on all delegate purchases;
- the purchase order must be in eVA at the time the firm is authorized to provide the goods or services;
- on-line receiving reports must be submitted processed on a timely basis by the ordering department;
- user departmental purchase files must be maintained in an appropriate and accessible fashion and will be subject to review by University Audit and Management Services, Auditor of Public Accounts, Division of Purchases and Supply, Virginia Information Technologies Agency (VITA), Division of Engineering and Buildings, and the Department of Procurement and Payment.

Equipment funded by federally sponsored programs must be screened against the University's Fixed Asset Inventory records as required by the provisions of OMB's Circular A-110.

REMEMBER, ALL GOODS OR SERVICES IN EXCESS OF THE LIMITS NOTED HEREIN MUST BE REQUISITIONED THROUGH UNIVERSITY PURCHASING. Splitting orders to circumvent the delegated limit for goods or services is not permitted. Any order placed by a department outside of the established guidelines will be handled as a procurement violation and the individual authorizing the purchase could be held personally liable.

Departments do not have the authority to sign vendor contracts (e.g. hotel contracts, maintenance agreements, etc.). See Section 6.27.

6.20.A Taxes

- a. **Excise.** The Commonwealth of Virginia is generally exempt from paying federal excise taxes, except it must pay excise taxes for air transportation, the cost of which is generally defined as any amount paid within the United States for transportation of any person by air. Certain vaccines require that an excise tax be paid by the purchasing activity.
- b. **State Sales.** The Commonwealth of Virginia is generally exempt from paying Virginia's sales taxes on purchases of tangible personal property for its use or consumption. Requests for a Tax Exemption Certificate (Form ST-12).
- c. **Sales and Use Tax - State Government and Political Subdivisions.** Virginia's Sales and Use tax does not apply to sales of tangible personal property to the Commonwealth of Virginia or to its political subdivisions, for their use or consumption, if the purchases are pursuant to required official purchase orders to be paid for out of public funds. The tax applies when such sales are made without the required purchase orders and are not paid for out of public funds. No exemption is provided for state or local government employee purchases of meals or lodging whether purchases are pursuant to required official purchase orders or not. The following examples are offered to show that taxes apply to lodging and conference facilities under a variety of circumstances:
 - **Hotels, motels, tourist camps, etc. Generally.** The tax applies to the sale or charge for any room or rooms, lodgings or accommodations furnished to transients by any hotel, motel, inn, tourist camp, tourist cabin, camping grounds, club or other similar place. The tax applies to all sales of tangible personal property by such business.
 - **Charges in connection with accommodations.** Any additional charges made in connection with the rental of a room or other lodging or accommodations are deemed to be a part of the charge for the room and are subject to the tax. For example, additional charges for movies, local telephone calls and similar services are subject to the tax. Toll charges for long-distance telephone calls are not subject to the tax.
 - **Meals (Generally).** Retail sales of meals by restaurants, hotels, motels, clubs, caterers, cafes and others are taxable. Related service charges (examples: cover charge, minimum sales fee, or room service charges) are a part of the sales price and are taxable. Any applicable tips are not subject to sales tax. See *Code of Virginia* section 630-10-64.

6.21 *Unauthorized Purchases*

With the exception of written delegated purchasing authority granted to University departments for goods or services, University Purchasing has the sole authority and responsibility to obligate Virginia Commonwealth University for the purchase of goods or services. Failure to comply with this policy may result in loss of departmental procurement authority. In addition, the individual making the purchase may be held personally and legally responsible for the financial commitment when the procurement is not in accordance with the Management Agreement and Rules Document and/or other State policies/procedures. Departments are advised to electronically forward all requisitions for goods or services totaling over the delegated purchasing limits to University Purchasing for the preparation of a purchase order. Splitting purchase orders is a circumvention of State procurement requirements.

6.22 *Allowable/Non-allowable Expenditures*

All requests for disbursements, whether funded from State or Federal sources or “Local” (non-State) sources, must include documentation to support the purpose of the expenditure. This documentation must attest to the fact that the expenditure is a business related expenditure and is reasonable. Individuals submitting and approving the expenditure for processing are responsible for ensuring that the expenditure is reasonable, meets all external (e.g., Commonwealth of Virginia, Management Agreement and Rules Document, State Travel Regulations, Federal government) or internal (e.g., University, school, department) guidelines, and is coded to the proper University and accounting code. Departments that improperly use another department’s account are responsible for resolving the error.

A “Business Related Expenditure” is generally accepted to mean an expenditure that is directly related to the operation of a functional area (i.e., school, department, administrative area, etc.) in the fulfillment of its stated mission or objective as part of the University (i.e., instruction, research, public service, support services, etc.). The term reasonable is defined to mean an amount that a prudent businessperson would expend to obtain that particular good or service on behalf of a public agency of the Commonwealth of Virginia. This also infers that the good or service has been acquired under a competitive procurement process, when applicable. The University is a nonprofit State-assisted institution and its expenditures receive a more substantive review because it operates in the public sector. As such, the University must ensure that all expenditures are necessary in the fulfillment of its stated mission and are incurred at a reasonable cost.

It is the responsibility of persons authorized to submit an expenditure for processing to ensure the most efficient and effective use of the University financial resources assigned to their area of responsibility. It is the responsibility of fiscal administrators to ensure that all expenditures, regardless of funding source, contain appropriate justification as to the reasonableness of the expenditure and the business related purpose of the expenditure. Any question concerning this policy or a question regarding the reasonability and/or business purpose of an expenditure should be directed to your fiscal administrator.

Business Expenditures

Business expenditures are expenses directly related to the operation of a functional area in the fulfillment of its stated mission or objective. The functional area must establish the appropriate business justification. Examples of allowable and non-allowable business expenses follow.

ALLOWABLE EXPENDITURES

POLICY	STATE LAW OR POLICY
<p>Advertising and marketing expenditures targeted at prospective students with accurate and objective information on programs and services may be paid using State or Local funds. Advertising and marketing expenditures used to induce students to attend by exaggerating or extolling the institution’s virtues must be paid using Local funds. The Vice President for University Relations must approve all advertising and marketing expenditures targeted at prospective students. <i>Note: Advertising and marketing mass mailings to prospective students (either mass mailings or newspaper inserts, but not both) are allowable using State funds provided other methods of distributing permissible information are not economically feasible in the institution’s local service area.</i></p>	<p>Appropriation Act (Chapter 1073) Section 4-5.06.</p>
<p>Advertisements in newspapers and other media forms for faculty and classified position employment, drug studies, research studies, and procurement advertisements may be paid using any fund source.</p>	<p>Commonwealth of Virginia’s Commonwealth Accounting Policies and Procedures Manual, Section 20310 titled “Expenditures”, subsection titled “Improper Expenditures”. Executive Order 73 (01) prohibits the University from directly advertising classified positions.</p>

ALLOWABLE EXPENDITURES (cont.)

POLICY (cont.)	STATE LAW OR POLICY (cont.)
Except for the advertisements noted previously, all other advertising/marketing expenditures, including promotional items that could be considered gifts (e.g. mugs, key rings, portfolios, water bottles, etc.) must be paid using Local funds .	Commonwealth of Virginia's Commonwealth Accounting Policies and Procedures Manual, Section 20310 titled "Expenditures", subsection titled "Improper Expenditures".
University fund raising activities must be paid using Local funds .	Commonwealth of Virginia's Commonwealth Accounting Policies and Procedures Manual, Section 20310 titled "Expenditures", subsection titled "Improper Expenditures".
Gifts purchased for the University's Service Awards Program through Human Resources may be paid for using State or Local funds .	Commonwealth of Virginia's Commonwealth Accounting Policies and Procedures Manual, Section 20310 titled "Expenditures", subsection titled "Improper Expenditures".
Incentives such as gift cards and other items given to persons participating in various studies (e.g. drug studies, research, etc.) may be paid for using any fund source . However, gift card purchases may not be charged to the corporate purchasing card. If University employees are involved, the department issuing the gift cards must obtain the prior approval from VCU Payroll Services.	Commonwealth of Virginia's Commonwealth Accounting Policies and Procedures Manual, Section 20310 titled "Expenditures", subsection titled "Improper Expenditures".
Gifts under \$100 to outside individuals may be purchased provided the recipient is identified, the individual's relationship to the University is stated, the reason for the gift is clearly documented, and the purchase is charged to Local funds . Gifts over \$100 require the same aforementioned documentation, Local funds , and Dean approval.	Commonwealth of Virginia's Commonwealth Accounting Policies and Procedures Manual, Section 20310 titled "Expenditures", subsection titled "Improper Expenditures".
Contributions and donations are permitted for activities directly related to the University's mission and approved by the President upon the recommendation of the Senior Vice President for Finance and Administration (State or Local funds).	Commonwealth of Virginia's Commonwealth Accounting Policies and Procedures Manual, Section 20310 titled "Expenditures", subsection titled "Improper Expenditures".

ALLOWABLE EXPENDITURES (cont.)

POLICY (cont.)	STATE LAW OR POLICY (cont.)
Flowers, meals or contributions in lieu of flowers for funerals are allowed (up to \$100) upon approval by the area Vice President or designee and charged to Local funds .	Commonwealth of Virginia's Commonwealth Accounting Policies and Procedures Manual, Section 20310 titled "Expenditures", subsection titled "Improper Expenditures".
Memberships in professional organizations when the membership will result in a direct benefit to the institution may be paid for using State or Local funds .	Commonwealth of Virginia's Commonwealth Accounting Policies and Procedures Manual, Section 20310 titled "Expenditures", subsection titled "Improper Expenditures".
Memberships (limited to the individual University employee) in social organizations require the prior approval of the President or his designee and will be authorized only after the business purpose is clearly established and documented (Local funds only). Expenditure information is reported by Accounts Payable to Payroll Accounting for W2 tax reporting purposes.	Commonwealth of Virginia's Commonwealth Accounting Policies and Procedures Manual, Section 20310 titled "Expenditures", subsection titled "Improper Expenditures".
Departmental memberships at club discount stores can be only used for University related business purposes only. Club discount store memberships require the approval of the Director of Procurement and Payment. State or Local funds can be used for all such expenditures.	Commonwealth of Virginia's Commonwealth Accounting Policies and Procedures Manual, Section 20310 titled "Expenditures", subsection titled "Improper Expenditures".
The payment of any type of employee subsidy (except social organizations approved by the President or his designee with a business justification) requires Vice President approval; Local funds only . Examples of such employee subsidies include, but are not limited to rent, parking, insurance, etc.	Commonwealth of Virginia's Commonwealth Accounting Policies and Procedures Manual, Section 20310 titled "Expenditures", subsection titled "Improper Expenditures".
Home Internet service for employees requires a clear documented business justification, Dean approval, and the use of State or Local funds .	Commonwealth of Virginia's Commonwealth Accounting Policies and Procedures Manual, Section 20310 titled "Expenditures", subsection titled "Improper Expenditures".

ALLOWABLE EXPENDITURES (cont.)

POLICY (cont.)	STATE LAW OR POLICY (cont.)
Tuition or fees for seminars, continuing education, or courses at other educational institutions is reimbursed only if similar educational opportunities are not offered at VCU (State or Local funds).	Commonwealth of Virginia's Commonwealth Accounting Policies and Procedures Manual, Section 20310 titled "Expenditures", subsection titled "Improper Expenditures".
Subscriptions to news journals, periodicals and magazines when the subscription is necessary to fulfill ones professional responsibility may be paid using State or Local funds . (Note: subscriptions must be mailed to a VCU office).	Commonwealth of Virginia's Commonwealth Accounting Policies and Procedures Manual, Section 20310 titled "Expenditures", subsection titled "Improper Expenditures".
Portraits and original artwork that are retained by the University are allowable with the prior approval of the Vice President administratively responsible for the area and the use of Local funds .	Commonwealth of Virginia's Commonwealth Accounting Policies and Procedures Manual, Section 20310 titled "Expenditures", subsection titled "Improper Expenditures".
External legal services provided approval has been received from and documented by the VCU Office of the General Counsel.	Code of Virginia, Section 2.2.
Cell phones and associated services requires a written justification and Vice President approval . (Vice President approval is not required for subsequent years, although normal system/departamental approvals are required). University cell phones must be in the name of the University and not in the name of the cell phone user. Except for cell phone service provided through VCU Telecommunications, cell phone service invoices provided by other cell phone providers must be itemized, listing phone numbers called, and call minutes. Except in the case of a bona fide emergency, personal calls are not allowed on University cell phones. Employees with personal cell phones may request reimbursement for business calls when shown to be cost beneficial or out of necessity. Employees are not allowed reimbursement for calls using base minutes. Vice President approval is not required for call reimbursements to employees. State and Local funds can be used for all such expenditures. (<i>See University Cell Phone Administrative Policy, and Implementation Procedures for the University Cell Phone Administrative Policy for specific instructions</i>).	Commonwealth of Virginia's Commonwealth Accounting Policies and Procedures Manual, Section 20310 titled "Expenditures", subsection titled "Cellular Telephone Policy".

ALLOWABLE EXPENDITURES (cont.)

POLICY (cont.)	STATE LAW OR POLICY (cont.)
Retirement parties/socials expenditures are allowed (to include items such as food, beverages, flowers, balloons, and gifts) for retiring employees or certain employees leaving the University provided the expenses are commensurate with their years of service (requires Vice President or designee approval; Local funds only).	Commonwealth of Virginia's Commonwealth Accounting Policies and Procedures Manual, Section 20310 titled "Expenditures", subsection titled "Improper Expenditures".
Receptions, staff retreats, entertainment, employee recognition luncheons/dinners, coffee for office staff and office parties are allowed when there is a clearly defined business purpose that supports the University's mission, and a written list of participants (Local funds or Grant funds provided such purchases are specifically allowed by the grantor).	Commonwealth of Virginia's Commonwealth Accounting Policies and Procedures Manual, Section 20310 titled "Expenditures", subsection titled "Improper Expenditures".
Alcoholic beverages provided such purchases comply with the University's policy regarding alcohol use at University functions (requires Local funds and Dean approval).	Commonwealth of Virginia's Commonwealth Accounting Policies and Procedures Manual, Section 20310 titled "Expenditures", subsection titled "Improper Expenditures".
Parking tickets issued to non-employees (requires Local funds and VP approval).	Commonwealth of Virginia's Commonwealth Accounting Policies and Procedures Manual, Section 20310 titled "Expenditures", subsection titled "Improper Expenditures".
Bottled water may be purchased with Local funds . Bottled water may be purchased with State funds when healthy water is not available in the building, as determined by VCU Environmental Health and Safety.	Memorandum dated 03/08/91 from Mr. David Von Moll, Manager Pre-Audit and Compliance, Commonwealth of Virginia's Office of the Comptroller, to Chief Fiscal Officers of All Agencies and Institutions.
Individual serving-sized plastic containers of water for emergencies or for safety and health reasons (State or Local Funds). Individual bottled water is allowable for other requirements using Local funds only.	Executive Order 82 effective 6/10/09 – 7/1/13.
Funeral attendance travel expenses for one employee selected by the President or his designee is allowable using State or Local funds .	Commonwealth of Virginia's Commonwealth Accounting Policies and Procedures Manual, Section 20335 titled "State Travel Regulations" subsection titled "Allowed Expenses".

ALLOWABLE EXPENDITURES (cont.)

POLICY (cont.)	STATE LAW OR POLICY (cont.)
Office plants (to include plant maintenance) when they are located in common/public areas and aid in the professional appearance of the office or building is allowable using State or Local funds .	Commonwealth of Virginia's Commonwealth Accounting Policies and Procedures Manual, Section 20310 titled "Expenditures", subsection titled "Improper Expenditures".
On-line auction purchases (e.g. e-Bay), provided the funds are transferred to an escrow account and not released to the seller until the purchaser has received and inspected the goods and determined that the goods fulfill the purchaser's requirements. On-line auction purchases not involving an escrow account and where the funds would have to be transferred to the seller prior to receipt of goods, must be done as a personal reimbursement only.	Commonwealth of Virginia's Commonwealth Accounting Policies and Procedures Manual, Section 20310 titled "Expenditures", subsection titled "Improper Expenditures".

NON-ALLOWABLE EXPENDITURES

POLICY	STATE LAW OR POLICY
Interest on personal credit cards (including Corporate Travel Card).	Commonwealth of Virginia's Commonwealth Accounting Policies and Procedures Manual, Section 20335 titled "State Travel Regulations" subsection titled "Travel Charge Card". Additionally,
Any purchase of goods or services for non-mission related or personal use.	Commonwealth of Virginia's Commonwealth Accounting Policies and Procedures Manual, Section 20335 titled "State Travel Regulations" subsection titled "Travel Charge Card", and Section 20310 titled "Expenditures", subsection titled "Improper Expenditures".
Cleaning, repairing or replacing of personal clothing worn on the job.	Commonwealth of Virginia's Commonwealth Accounting Policies and Procedures Manual, Section 20310 titled "Expenditures", subsection titled "Improper Expenditures".
Lobbying services	Code of Virginia, Section 2.2 – 434.
Picture framing for personal pictures (including diplomas, certificates, etc.) that may hang in a University office, but are not considered University property.	Commonwealth of Virginia's Commonwealth Accounting Policies and Procedures Manual, Section 20310 titled "Expenditures", subsection titled "Improper Expenditures".

NON-ALLOWABLE EXPENDITURES (cont.)

POLICY (cont.)	STATE LAW OR POLICY (cont.)
Any purchased items (furniture, artwork, equipment, etc.) that will not be retained by the University are not allowed.	Commonwealth of Virginia's Commonwealth Accounting Policies and Procedures Manual, Section 20310 titled "Expenditures", subsection titled "Improper Expenditures".
Motor vehicle moving violations and parking tickets (issued to University employees).	Commonwealth of Virginia's Commonwealth Accounting Policies and Procedures Manual, Section 20310 titled "Expenditures", subsection titled "Improper Expenditures".
Any expenditure that constitutes a violation of the University's Conflict of Interest Policy or other administrative regulations.	Commonwealth of Virginia's Commonwealth Accounting Policies and Procedures Manual, Section 20310 titled "Expenditures", subsection titled "Improper Expenditures".
Purchase of virgin paper used in copiers, faxes, printers, and other office equipment.	Executive Order 82 effective 6/10/09 – 7/1/13.
Purchase or lease of equipment without Energy Star designation when such designation is available.	Executive Order 82 effective 6/10/09 – 7/1/13.

Revised 7/22/09

6.23 Gifts and Donations

Occasionally, vendors or alumni want to give or donate goods or services to the University. If this occurs, departments should contact the Office of University Advancement at 8-0880. Gifts and donations of this nature must be coordinated with and approved by the Office of University Advancement prior to the departments acceptance of the gift or donation.

6.24 Freight Charges

It is the basic policy of the University to purchase goods "FOB Destination". This means that the vendor pays the freight charges for shipping the goods to the ordering department (in essence the cost of shipping is included in the price of the goods), the vendor retains title to the goods until the carrier delivers the goods, and any claim for loss or damage incurred during delivery shall be between the vendor and the carrier. Delivery FOB Destination without any qualifying language following the term is the preferred method of purchase.

A department may pay freight charges and/or change the FOB point when the product could otherwise not be purchased. Departments are cautioned that changing the FOB point can create problems in the event the product is damaged or lost in transit. In such cases, any claim for loss or damage incurred during delivery shall be between the University and the carrier.

If departments are paying freight cost on a procurement, the department must add a shipping line item to the purchase order. This designation on the purchase order is notification to the vendor

that the University accepts title only when goods are received. This will also notify Accounts Payable and Support Services that the department has authorized the vendor to prepay the freight cost and add it as a separate line item on the invoice. Accordingly, Accounts Payable and Support Services will reimburse the vendor for the actual freight cost when processing payment.

Remember when purchasing goods "FOB Destination, Prepay and Add", the department has the responsibility to determine the actual (or maximum) freight charge. This will ensure that the total amount of the order does not exceed the department's delegated purchasing limit, since that limit includes freight and handling charges.

6.25 *Businesses Owned by Women and Minorities*

University Purchasing encourages the participation of businesses owned by women and minorities in the procurement process by actively soliciting bids and proposals from these businesses. University Purchasing uses the information contained in the University's vendor file database and information compiled by the State Department of Minority Business Enterprise, the State Division of Purchases and Supply, Virginia Information Technologies Agency (VITA), and other State agencies to assist in this endeavor. Departments are strongly encouraged to provide opportunities to businesses owned by women and minorities when placing orders within their delegated authority.

6.26 *Purchase Order Changes*

On various occasions, a change to purchase orders is required. Purchase order changes must be initiated by the department through eVA.

6.27 *Vendor Contracts*

The authority to sign a vendor contract and commit the University to certain terms and conditions is limited to designated administrators by resolution of the University's Board of Visitors.

Therefore, if a vendor requests that the University agree to the vendor's contract terms and conditions other than those specified on the requisition or purchase order then that contract needs to be submitted to the Director of Procurement and Payment (P.O. Box 980616) for review and approval. Departments are, however, advised to review such contracts and make any changes necessary to conform with their particular business needs.

Departments do not have the authority to sign vendor contracts. Even under departmental delegated purchasing authority, any vendor agreement submitted in response to a request for quotation or other means must be forwarded to and reviewed by the Director of Procurement and Payment along with a copy of the purchase order (if the order is within your delegated authority) or the requisition. Do not give the purchase order number to the vendor until the contract has been signed by the authorized individual in the University. The Director of Procurement and Payment will make any amendments to the terms as required by State law or policy and secure the appropriate signatures in compliance with the Board's resolution. After the appropriate signatures are obtained, the vendor agreement will be returned to the requesting department for

processing, if the order is within department delegation. Only then may the department submit a purchase order to the vendor.

If you have a question dealing with a vendor's contract terms, please contact the Director Procurement and Payment at 8-3361.

6.28 University Logos: Trademark Requirements

Virginia Commonwealth University established a trademark licensing program in 1988 in order to protect and control the use of the University's names, marks and official logos. The University licenses only those products or goods which promote the image of VCU and demonstrate quality and good taste.

The most familiar of VCU's official marks are the University seal, the Rams logo and Medical College of Virginia Hospitals seal. **University departments are required to use an officially licensed VCU manufacturer when ordering items bearing the University's trademarks and have artwork approved by the Assistant Director, Business Services prior to production (i.e. caps, shirts, gift items, etc.)**

To obtain a current listing of licensed manufacturers or additional information about the licensing program, call the Assistant Director, Business Services at 8-1180.

6.30 Corporate Purchasing Card

The Corporate Purchasing Card may be used for any non-travel related purchases up to \$5000, provided the merchant accepts the card. Using the card allows cardholders to procure goods and services in a more efficient and effective manner by empowering them as users and eliminating non-value added paperwork. The card provider provides management with useful expenditure information through summary reports that provide built-in audit trails that list a cardholder's purchases with the card.

Benefits derived by the University are reduced paperwork; empowerment of cardholders to make purchases without additional approvals; simplified billing; improved prompt payment statistics; reduced transaction costs; and improved vendor relations. Suppliers that accept the card benefit from timeliness of payment; elimination of invoices, direct user level contact; and reduced collection costs.

Equipment purchases over \$2000 using the Corporate Purchasing Card must be reported to VCU Property Management. Please call Property Management at 8-5480, if you have any questions.
[PROPERTY MANAGEMENT - ADDITION TO EQUIPMENT INVENTORY](#)

All appropriate University personnel are encouraged to enroll in this program and become active participants in reducing paperwork and improving administrative processes.

Questions regarding the Corporate Purchasing Program or requests for sign-up information should be addressed to University Purchasing's Card coordinator at 804-828-4232. Information regarding the Corporate Purchasing Card Program is also available on Procurement and

Payment's website at [Corporate Card Procedures](#) .

6.31 How To Send A Requisition To Purchasing

The source transaction for all non-delegated purchasing activity is the electronic (eVA) requisition. An approved requisition exceeding the department's delegated authority of \$7,500 will automatically be routed through the eVA workflow to Purchasing. When the department wishes to have Purchasing handle the procurement on their behalf, a buyer must be added as an approver to the workflow.

Instructions are available at <http://www.vcu.edu/procurement/EPBRManual.pdf>.

When calling about the status of a requisition or purchase order, be prepared to give the requisition or purchase order number. This will expedite the process and enable the buyer to locate the order.

6.32 Guidelines for Order Lead-time

Different processes are used to procure goods and services. Where a bid process is required, a copy of the solicitation, which indicates an issue and closing date, will be forwarded to the "contact person/contract administrator" specified on the eVA requisition.

Please keep in mind that the "estimated order lead times" are approximate and are to be used as a guide to assist you in planning. Procurements of goods or services through the use of Request for Proposals (RFP) may add significantly to the order lead time. In addition, it is important to note that insufficient specifications provided by the requestor and evaluation team delays may also add to the order lead time.

<i>Estimated Cost</i>	<i>Procurement Requirements</i>	<i>Estimated Order Lead Time (Business Days)</i>
\$ 0 – \$ 7,500	Departments may place purchase order up to \$7,500. University Purchasing or University Department must obtain and document a minimum of one written or telephone quotation. University Purchasing encourages departments to solicit small, minority –owned and/or woman-owned (SWAM) businesses.	5 Days
\$7,500- \$10,000	University Purchasing may seek competition or process using a single quote.	5-10 Days
\$10,000- \$50,000	University Purchasing solicits a minimum of four written or telephone quotations or written proposals. SWAM firms must be solicited if there is sufficient registration.	10 Days(quotes) 30 Days(offers)
\$50,001+	University Purchasing solicits a minimum of six written, sealed bids or proposals. SWAM firms must be solicited if there is sufficient registration. Public advertising is required.	40 Days(IFB) 90-120 Days(RFP)

6.33 Fiscal Year- End Cutoff

Departments have the responsibility to ensure that requisitions to purchase goods and services which are to be paid from the current fiscal year funds are submitted to University Purchasing early enough to allow for processing, vendor delivery, and invoice payment prior to fiscal year end close out deadlines. Obviously, no absolute date can be established which will guarantee bidding, delivery, and invoicing prior to the year end close since external factors such as product availability and manufacturing time have a major influence on the delivery and receipt of material. In general, the department should identify a required delivery (and invoicing) date on the purchase requisition at any time during the year when the vendor's performance in those regards is critical. Delivery times may be considered in the evaluation of bid responses to purchasing proposals. Potential loss of funds at year end is not a valid reason for requesting an emergency procurement.

6.40 Mandatory Sources

The Management Agreement and Rules Document and/or State policies require that certain goods and services be procured, where applicable, from designated state agencies or state contracts. Whenever such a mandatory source is designated, the University is required to use that source. Current sources designated as "Mandatory" are:

- 1) Department of Corrections-Virginia Correctional Enterprises (VCE) (furniture, signage, lockers, beds, work uniforms, data entry services etc.);
- 2) Department of Transportation (vehicles);
- 3) CORPRINT (printing) Department of Corrections Print Shop (VCU is exempt from using CORPRINT);
- 4) Stationery products (letterhead, envelopes, business cards) must be purchased through Creative Service's Contract;
- 5) Designated Virginia Information Technologies Agency (VITA) Contracts.

NOTE: State contracts are preferred sources and their use is strongly encouraged.

Many commodity groups are supplied by these mandatory sources and new items are constantly being added. Information on items which are available, along with pricing information or possible exemptions from the mandatory sources, may be obtained by contacting University Purchasing 8-1077.

6.41 State, University and Cooperative Contracts

State Contracts are issued by the State Division of Purchases and Supply (DPS) and Virginia Information Technologies Agency (VITA) for use by all state agencies, institutions and universities. These contracts cover a number of items in many commodity areas. Regardless of the source of funds, state rules and regulations may require the use of these contracts.

If you need to know whether a particular item is covered by state contract or need a listing of contracts, contact Purchasing.

University Purchasing establishes contracts for frequently used goods and services [University Term Contracts](#). In addition, contracts are established cooperatively with other Commonwealth of Virginia institutions of higher education [VASCUPP Cooperative Procurement Contracts](#). These contracts provide cost savings through economies of scale and streamline the purchasing procedures for specific items and services. As with state contracts, many areas are covered. Contact the buying staff regarding current contracts, or if you would like to suggest that a specific contract be established.

6.50 Purchase of Services

The State's procurement procedures requires competition for the procurement of professional, nonprofessional, individual and consulting services when the estimated cost exceeds the department's general delegated purchasing authority. Where contracts have already been negotiated by the State, the contract vendor should be used. When the estimated cost is in excess of the delegated purchasing limits, an eVA requisition for the required service(s) should be initiated.

Basically, services can be categorized as follows:

Professional: Within the scope of the practice of accounting, architecture, dentistry, land surveying, landscape architecture, law, medicine, optometry, professional engineering, pharmacy, and actuarial services.

Nonprofessional: All services not listed as a professional service.

Specific procedures and competitive methods are required depending on the dollar value and the type of service. Departments must determine their specific service needs sufficiently in advance to allow University Purchasing adequate time to comply with the competitive requirements. Requests in excess of your department's delegated purchasing authority must be forwarded to University Purchasing for processing.

Departments are cautioned that all mandatory Commonwealth of Virginia contracts must be utilized, as well as other mandatory sources such as the Department of Corrections. Departments are charged with the responsibility to keep abreast of the products and services under contract. This information is available on line through the Department of Procurement and Payment's website at: <http://www.vcu.edu/procurement/purchasindex.htm>. The contract number must be entered by the department in the "Contract Number" block on the eVA requisition. Continued delegation of purchasing authority depends on the accurate and timely performance of procedures at the departmental level.

While the department is authorized to place certain orders directly with vendors, the department may choose to order any or all items through University Purchasing. The use of two or more purchase orders to circumvent the department delegated limit is prohibited. Additionally, the department may not authorize a change in the quantity or price of the items being purchased subsequent to placing the original order which causes the order to exceed the department delegated limit without prior authorization from University Purchasing. **All purchase orders must instruct the vendor (as pre-printed) to mail invoices to Accounts Payable and Support**

Services, Box 980327, Richmond, Virginia 23298-0327 and to include their taxpayer identification number (FIN or SSN) on the invoice to facilitate payment.

Departments may place orders totaling up to \$7,500 directly with vendors by issuing an eVA purchase order. The purchase order is also intended to inform the vendor of procurement and payment terms. Remember to include a complete street address on the purchase order for delivery purposes. Departmental files must be available for review by auditors and/or State/University officials. See <http://www.vcu.edu/procurement/EPBRManual.pdf> for purchasing and receiving instructions.

6.51 Information Technology Hardware/Software Purchases

It is important to note that these procurements are generally all-inclusive and cover the purchase, lease, lease/purchase, and rental of hardware or software, software upgrades, maintenance agreements, computer consulting services, all other services, trial or use, and gifts.

In order to satisfy a majority of our routine computing requirements, Virginia Information Technologies Agency (VITA) establishes contracts for hardware and software. The contracts include many common hardware and software items and the use of the contracts will greatly reduce your order processing time. [Information Technology Contracts](#)

6.52 Acquisition and Lease of Real Property

Acquisition of real property, whether by gift, purchase or lease (any duration) is subject to the provisions of the *Code of Virginia* as defined in the directives of the Department of General Services, Real Estate Services (requests related to the acquisition or lease of real property should be directed to Real Estate and Insurance Services, P.O. Box 843040, Phone 8-4933). Real property, defined as land and improvements and any rights thereto, includes such items as:

- purchase of land and/or improvements;
- lease of office space, classrooms, clinical facilities, etc.;
- lease of warehouse or storage space (not including mini-storage facilities);
- lease of land for parking and
- lease of dedicated spaces in a parking structure.

Acquisition of services related to real property includes items such as:

- rental of hotel rooms;
- rental of conference space, sporting events, concert or registration facilities;
- lease of undesignated spaces in multi-use parking facility; and
- part-time use or shared use of office, classroom, clinical or other space.
- Rental of mini-storage facilities

If the cost of acquiring services related to real property is expected to exceed the department's delegated purchasing limit, the purchase requisition must be directed to University Purchasing prior to acquiring the service. The requisition for these services should not be directed to Real Estate and Foundation Services.

6.53 *Printing Purchases*

The purchase of printing is governed by specific printing terms unique to this commodity.

Within the department's delegated purchasing authority, one (1) verbal or written vendor quotation may be obtained by the department prior to placing the order. University Purchasing suggests that departments which choose to exercise their delegated purchasing authority, obtain a written quote because of the technical aspects and complications resulting from printing trade customs.

6.54 *Used Equipment Purchases*

Used equipment is defined as equipment that has been previously owned and used and is offered for sale under "where is, as is" condition - it does not include demonstration or factory rebuilt items marketed through distribution outlets.

The purchase of used equipment not greater than \$50,000 has been exempted from normal procurement procedures. However, the following must be submitted with your on-line requisition for the purchase of used equipment not greater than \$50,000:

1. Complete information describing the item.
2. A written statement from an individual who is technically knowledgeable of the type of equipment to be purchased verifying the condition of the equipment, its future usefulness, and that its purchase would be in the best interest of the Commonwealth and the University.

Used equipment purchases greater than \$50,000 follow normal procurement procedures. In such cases, please contact one of the buyers for assistance in procurement planning.

6.55 *Travel Purchases*

Travel purchases and processes are detailed in Section 7.30.

6.56 *Petty Cash Purchases*

Information on Petty Cash purchases is available at <http://www.vcu.edu/treasury/DeptPettyCash.htm>.

6.57 *Procedures for Prepayment*

Within departmental delegated authority prepayment may be requested for the procurement of books; subscriptions; publications (magazines, pamphlets, reprints, periodicals and software

updates); membership dues; accreditation fees; advertisements in newspapers, magazines, journals, radio and television; any non-host seminar; non-host conference registration fees; and hotel rooms (one night only). The aforementioned prepayments do not require University Purchasing's approval and are processed by Accounts Payable. Requests for prepayment other than the aforementioned must be forwarded to University Purchasing for processing.

All prepayment requests should be coordinated with the appropriate Accounts Payable Analyst.

6.60 Proprietary Specifications Purchases

Occasionally, your department may require the purchase of a particular brand name product. Limiting competition to only one brand name is known as a proprietary specification. However, because of the State's competitive procurement requirements, such requests should be the exception rather than the rule. A proprietary specification excludes consideration of a proposed "equal." Proprietary items are available from several distributors and competition between them can be obtained. State procurement rules require a written proprietary justification which clearly demonstrates that only one brand name product meets the user's requirement. The user department's written justification must contain clear, in-depth, accurate and verifiable information since it becomes a matter of public record and is subject to protest. This applies only to procurements where the total cost exceeds the delegated purchasing limit for goods or services.

The use of a proprietary specification may be appropriate where:

1. the desired product must be compatible with or is an integral part of existing equipment or products;
2. pre-qualification of products is necessary to support a specific need of a program;
3. the desired product is covered by a patent or copyright;
4. the requested item must yield absolute continuity of results; and/or
5. the desired item is one with which the user has had extensive training and experience, and the use of any other make of equipment would require considerable reorientation and training.

6.61 Sole Source Purchases

A sole source purchase differs from a proprietary specification. A sole source purchase is a proprietary specification which is practicably available from only one source. Competition is not available for sole source procurements.

Sole source purchase requests which exceed the delegated purchasing limit for goods or services must be handled by University Purchasing and be accompanied by a written sole source justification from the requesting department. All sole source procurements are subject to public review. Sole source procurements are publicly posted by University Purchasing for ten (10) days. Placing the order, however, need not be delayed because of the posting requirement.

Therefore, your sole source justification must contain clear, in-depth, accurate and verifiable information to avoid protests and the resulting possibility of delaying your purchase request. Contact the appropriate buyer for any assistance you may need to prepare the justification. All sole source purchases (except maintenance contracts for scientific equipment and IT hardware/software) over \$10,000 are forwarded by University Purchasing to the Secretary of Education, for post audit review. Additional information is available at: <http://www.vcu.edu/procurement/solesrc.htm>

6.62 *Emergency Purchases*

Even with the best of intentions and planning, emergencies do arise. Emergency purchases will be processed only when the need for supplies and/or services, if not procured immediately, will cause serious operational or financial loss, or where life and property must be protected. Purchasing is required by state law to obtain such competition as is practicable under the circumstances. Emergency purchases can cover only that which is necessary to cover the emergency. Subsequent requirements must be obtained using normal purchasing procedures. In all emergencies, the requesting department is required to prepare a written determination indicating the nature of the emergency, and the reason for selection of the particular vendor. This written determination from the requesting department must be included in the procurement file. Emergency procurements must be publicly posted by Purchasing.

Deans/Department Heads should establish a contact in their area to coordinate with University Purchasing if emergency purchases are required. These purchases (over \$7,500) must be critical in nature and have the advanced approval of the Dean/Department Head. The approval of the Vice President will be required for any emergency exceeding \$30,000. In the event of an emergency, contact the appropriate buyer for specific guidance and assistance.

If an emergency occurs at a time outside the normal work-day (i.e. nights, weekends, holidays), the department may place the order. The department will obtain such competition as is practicable under the circumstances (e.g. obtain three quotes, etc.). As soon as practicable, the department must submit an eVA requisition and a signed written determination stating the basis of the emergency and for the selection of the particular contractor. The written determination must be included in the procurement file. Emergency procurements must be publicly posted by Purchasing subsequent to the event.

A contingency plan is in place to address a catastrophic system failure wherein the financial system would not be accessible for an extended period. In this situation, the departments should obtain or utilize their existing corporate purchasing cards. The corporate purchasing card must be used for all purchases under \$5,000.

To accommodate departments that chose not to obtain corporate purchasing cards, the Dean's Office can request a higher monthly limit (up to \$100,000) for specific cardholders in the Dean's Office for a period not to exceed 30 days. This request must be submitted in writing to the purchasing card Program Administrator.

6.80 Training

If a refresher workshop is needed regarding purchasing procedures or if new employees need instruction, University Purchasing willingly provides in-house training. The “Fiscal Training” offers employees an opportunity to learn the basic Purchasing and Accounts Payable procedures at VCU. For additional information about the various seminars, see <http://www.vcu.edu/procurement/training.htm>. Procurement & Payment seminars are provided to all University employees at no cost. [*Training at Procurement & Payment*](#)

6.81 Contract Administration

University departments are responsible for administering contracts that have been established for their use. Departments must monitor the contractor's performance to ensure that the contractor provides the required goods and/or services in accordance with all of the applicable terms and conditions of the contract. It is essential that you notify the appropriate buyer immediately, if you encounter any problems with your contract.

Contract administration begins with the signing or execution of a contract or purchase order. The purpose of contract administration is to ensure that the contractor performs in accordance with all of the terms and conditions of the contractual agreement. Contract administration includes all actions taken by University Purchasing and the user department relative to a specific contract after the award of the contract is made. As such, proper contract administration requires the complete cooperation, coordination, and communication of both the buyer and the end user. Although they are separate and distinct functions, each of these positions play an integral and vital role in the total scope of contract administration.

The following details the user departments’ responsibilities after authorizing the procurement.

- Follow-up and Expediting. After issuance of a contract/purchase order document, the user department must perform any necessary follow-up and expediting with the contractor. In the event of untimely contractor performance, the contractor should be notified by the user department verbally or in writing. If you are unable to resolve the issue in a timely manner, please immediately contact University Purchasing (8-1077) for assistance.
- Receipt of Goods/Services. The user department must ensure that the individual receiving the goods/services maintains a copy of the purchase order/contract and is fully informed of the requirements of the contractual arrangement. All administrative requirements relative to receiving goods/services shall be made in accordance with the most current version of the procedures established for on-line users.
- Over-shipments/Overruns. The user department should not accept goods in excess of those specified on the purchase order/contract unless provided for by an authorized change order from University Purchasing; and should reject an over-shipment even after receipt. In such event, the user department must notify the contractor (or coordinate with University Purchasing) that the over-shipment will not be accepted and, unless the over-shipment is picked up by the contractor, it will be returned at the contractor’s expense. For printing purchase orders/contracts 10% overruns and under-runs are generally considered within industry standards, and are therefore, considered acceptable.

- Lost or Damaged Shipments. The user department must promptly inspect deliveries for shipping damage at the receiving location. Concealed damage must be documented by the user department. In such cases, the user department must coordinate with the appropriate buyer to ensure that the concealed damage is reported within seven days of receipt and prior to removal from the point of delivery. It is difficult to fix responsibility for deliveries once the user department has moved the goods to another location or when inspection has not been made in a timely manner. The contractor shall make immediate replacement of the damaged or lost merchandise or be in default of the contract. It shall be the contractor's responsibility to file a claim against the carrier. If damage is to a small quantity and with the approval of the user department, the contractor may deduct the amount of damage or loss from his/her invoice to the University in lieu of replacement.

- Inspection, Acceptance, and On-going Monitoring. The user department is responsible for inspecting, accepting, and continually monitoring the performance of the contract. Inspection is the close and critical examination of the delivered goods/services to determine conformance with applicable contract requirements of specifications. It includes the determination that:
 - unless otherwise specifically ordered, the delivery consists of new and unused merchandise.

 - goods/services provided are of the quality, grade, standard or any other aspect specified in the purchase order/contract.

The on-going and continual monitoring of the contractor's performance is critical to the success of the contract. If you require any guidance relative to contract administration or need assistance in resolving contractor compliance issues, please contact the Manager, Contract Administration or the buyer. Please remember that the user department and University Purchasing are responsible for ensuring that the contractor performs in accordance with the contract.

- Rejection. Rejection of goods/services is the responsibility of the user department whenever goods/services do not meet contract requirements. The user department must document in writing, cases where the contractor's performance does not comply with the contractual agreement. Such written documentation shall be provided to University Purchasing by the user department using the "Complaint to Vendor Form." This report is necessary for University Purchasing to take the appropriate default actions as provided for in the contract. In addition, the form is important so that University Purchasing can continue to develop vendor history and evaluate vendor performance. Please contact University Purchasing at 8-0157, if you intend to file a complaint: [Complaint Form](#)

- **CANCELLATIONS AND CHANGES TO PURCHASE ORDERS/CONTRACTS. NO CANCELLATION OR CHANGE MAY BE MADE TO A PURCHASE ORDER/ CONTRACT (ISSUED BY UNIVERSITY PURCHASING) BY THE USER DEPARTMENT. CANCELLATIONS AND CHANGES TO PURCHASE ORDERS/CONTRACTS MAY BE REQUESTED, IN WRITING, BY THE USER**

DEPARTMENT AND TRANSMITTED TO THE APPROPRIATE BUYER. ALL SUCH ACTIONS MUST BE REVIEWED, APPROVED, AND CONFIRMED TO THE CONTRACTOR BY THE APPROPRIATE BUYER.

6.82 Vendor Complaints

Departments that encounter problems in dealing with a supplier, should contact University Purchasing for assistance in resolving the problem. In order for complaints to obtain prompt attention, the State has established a uniform Vendor Complaint System which provides an easy mechanism for addressing and resolving complaints related to vendor performance. This system provides assistance in resolving complaints related to:

- non-delivery
- delinquent deliveries
- receipt of non-conforming materials or services-failure to perform
- over/under shipments
- improper billing

Specific instructions and procedures may be obtained from University Purchasing. Please remember, your feedback on the quality of goods or services from vendors doing business with the University is critical to all University and Hospital departments, as well as agencies within the State system. University Purchasing takes the Vendor Complaint system very seriously in an effort to ensure the best goods and services for users. Your input is a valuable tool and helps us identify vendors who should be debarred from future dealings with the University and State. Documented poor vendor performance may result in University Purchasing debaring the vendor from doing business with the University. The form for reporting complaints is located at: <http://www.vcu.edu/procurement/VendorComplaintForm.doc>. All complaints must be sent to University Purchasing. The purchasing staff will review the complaint and take the appropriate action. Departments should not send complaints directly to the vendor.

6.83 Tips for Dealing With Sales Representatives

Sales representatives from vendors doing business with the University may contact you or other members of your department. These representatives can be a helpful source of information.

All commitments to purchase goods or services beyond your delegated purchasing authority are to be made through University Purchasing. In such cases, quotations or specifications provided by sales representatives should be forwarded to the appropriate buyer with your requisition.

Please remember that all equipment, materials and services must be purchased using applicable procurement procedures. Equipment left by sales representatives on a "loaner" or "demonstration" basis does not constitute a commitment to buy this equipment.

Occasionally, some vendors may utilize unethical tactics by attempting to solicit business by telephone, stating that they can offer you a great deal on over-stocked merchandise. They will take minimal information as a commitment to buy and ship merchandise after a conversation with someone in the department. Should such a company contact you, please refer them to the

Manager, Contract Administration. **Do not accept gifts or gratuities from vendors under any circumstances as this practice violates the State's Conflict of Interest Policy.**

6.90 *Surplus Property*

Surplus property is that which no longer has any usefulness or value to your department. Prudent and timely reporting of your surplus property is extremely important so that the removal of the surplus items may be scheduled. Remember, even though an item may no longer be of any use to you, someone else in the institution may have a need for it. Surplus property should be considered as a source of supply. Keep in mind that the University's surplus warehouse is a service to the University and items requested from our surplus warehouse are provided at no charge to your department.

Additional information about surplus property can be found at FMD. <http://www.fmd.vcu.edu/fmdsurplus/fmdsurplus.htm>. [VCU Surplus Property](http://www.fmd.vcu.edu/fmdsurplus/fmdsurplus.htm)

6.91 *Master Equipment Leasing Program*

The Master Equipment Leasing Program of the State Treasury Board offers the following advantages for purchase of equipment with a fair market value of \$10,000 or more:

- ability to spread out the payments for equipment purchases over a number of years (3, 4, 5, and 7 year options);
- tax free interest rate fixed for the lease term;
- administratively easy to utilize; and,
- turnaround time for the lease program is approximately 2 weeks (excluding procurement time).

To utilize the Program, indicate on your eVA requisition that you wish to use the Master Lease Program and the number of lease years. Estimated monthly payments can be furnished to you prior to the submission of the purchase requisition if needed for planning purposes. It is very difficult to economically justify an equipment lease outside of this program. For more information contact the University Treasury Services Department.

The equipment leasing program, through the Commonwealth of Virginia Treasury Board, provides the University with access to small and large amounts of moneys for an equipment lease/purchase. All other leases or lease purchases of equipment must be justified and approved by the State Treasury Department. For financing of less than \$200,000, the proposed bid form shall be submitted to the Treasury Board for review two weeks prior to the proposed release date; for financing of \$200,000 or more, the proposed bid form shall be submitted to the Treasury Board one month prior to the proposed release date. There is also a University Internal Loan Program for equipment purchases up to \$10,000 and software purchases up to \$25,000. Contact the University Treasury Services Department for information.

Financial & Budget Administration Policies & Procedures Manual

PURCHASING ACTIVITIES

SECTION 6

Section & Subject

Appendix:

- 1 *University Cell Phone Policy and Procedures*
 - *University Cell Phone Administrative Policy*
 - *Implementation Procedures for the University Cell Phone Administrative Policy*

University Cell Phone Administrative Policy

Responsible Office:
Procurement and
Payment

POLICY STATEMENT AND PURPOSE:

The Cellular Telephone Policy as outlined in the Commonwealth Accounting Policies and Procedures (CAAP) Manual governs the University Cell Phone Policy. This policy will apply in all circumstances regardless of fund source. The President may approve an exception to the policy under certain conditions.

Consistent with these policies:

- The employee's Vice President must authorize the acquisition and use of cell phones.
- University cell phones are to be used for conducting official business only and should not be used for personal purposes, except for bona fide emergencies.
- University cell phones must be procured through Technology Services/VCUnet.
- Supervisors are responsible for ensuring that employees using University cell phones are aware of the University policies and procedures governing their use and for having employees so certify in writing.
- Consistent with State policy, employees using personally-owned cell phones may be reimbursed for business calls when shown to be cost beneficial or out of necessity. Employees are not allowed reimbursement for calls using base minutes.

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WHO SHOULD READ THIS POLICY:

Anyone who authorizes cell phone acquisitions, uses a cell phone, or approves cell phone invoices for payment.

- Vice Presidents and Senior Executives
- Deans, Directors, and Department Heads
- Fiscal Administrators
- Employees using cell phones
- Finance and Administration Staff
- Administrative Toolkit Webmaster

RELATED DOCUMENTS:

Commonwealth Accounting Policies and Procedures (CAPP) Manual

Implementation Procedures for University Cell Phone Administrative Policies

The Department of Information Technology General Telephone Procedures and Use of DIT Telephone Facilities

CONTACTS:

The Procurement and Payment Department provides the official interpretation of this policy.

DEFINITIONS:

VITA	Virginia Information Technologies Agency – The agency of the Commonwealth responsible for the support and acquisition of information technology resources.
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PROCEDURES:

Employees should reference the Implementation Procedures for the University Cell Phone Administrative Policy for specific steps to comply with this policy.

Implementation Procedures for the University Cell Phone Administrative Policy

Acquisition and Use of Cell Phones

1. The responsible Vice President must authorize the acquisition and use of cell phones by faculty and staff. An approved written request and justification must be on file for each cell phone (attachment 1). The justification must include both the acquisition of the cell phone and the level of service required. Documentation of this approval/justification must be maintained in the employee's department.
2. VCU-owned cell phones must be procured through Technology Services (TS) / VCUnet.
3. The Virginia Information Technologies Agency (VITA) is the agency authorized to grant exemptions to the use of the state contract for cellular service. Any request for an exemption must be submitted through TS/VCUnet. An employee's department must not contract with another service provider until such time as VITA grants an exemption. There is no guarantee that VITA will approve any exemptions, and departments should plan ahead by allowing a minimum of ninety (90) days for VITA's review and decision-making process. If an exemption is approved, the cellular service provider must submit itemized invoices listing cell utilization. The employee's department is responsible to maintain the documentation of the VITA exemption.
4. Employees who use VCU-owned cell phones are required to certify that they have read, and will comply with, the policies and procedures related to cell phones (attachment 2). Such documentation must be maintained in the employee's department in accordance with the University's record retention policy and is subject to audit or compliance reviews.
5. In accordance with the VITA's general telephone procedures, VCU-owned cell phones are to be used only for conducting official business and should not be used for personal calls, except for bona fide emergencies.
6. The University recognizes that there may be situations when an employee uses the phone for bona fide personal emergencies. Employees who make emergency calls of more than a nominal value will be required to reimburse the University at a rate per minute as established by the Procurement and Payment Department (this rate may differ from the rate listed on the bill).

In addition, employees who make non-emergency personal calls will also be required to reimburse the University at the same rates and may be subject to disciplinary action.

An employee should not assume that any unused plan base minutes are “free minutes,” which can be used for personal use.

7. If the department obtains an exemption from VITA, cell phone service from another source must not be charged through petty cash. The purchase may be made using an Corporate Purchasing Card, however, the service provider must submit itemized invoices/statements for departmental record keeping purposes.

Individuals Using Personally-Owned Cell Phones

1. Individuals using personally-owned cell phones may be reimbursed for business calls when shown to be cost beneficial or out of necessity. In the event that base minutes are used for business calls, individuals are not allowed reimbursement for these calls. The University will not reimburse individuals for a portion of the base rate for personally-owned cell phones even if they are used in the normal course of business. In addition, the University will not reimburse an amount that would cause the person to pay less than their base rate.

Contacts

1. The Procurement and Payment Department provides official interpretation of the Cellular Telephone Administration Policy and Implementation Procedures.

Effective Date

1. These procedures are effective beginning on June 1, 2003. To the extent that employees have current cellular phone contracts that are not through TS/VCUnet and do not have a VITA exemption, the contracts will be honored until the end of the current contract period, and may not be further extended. At that time, the employee must make arrangements with TS/VCUnet to either seek an exemption from VITA or to use the mandatory state contract. Departments must ensure that a copy of their Vice President’s approval of the cell phone is maintained in their files.

Cellular Telephone Authorization Request

Requestor Information:

Name of Requestor: _____

Phone Number: _____

Department: _____

Mailing Address: _____

Request Date: _____

Number of Cellular Telephones Requested:

Estimated Cost of Cellular Telephone Acquisition:

Proposed Rate Plan(s) and Estimated Monthly Cost:

Budget org:

(If federal grant or federal pass-through, must be specifically allowable cost on the grant.)

Justification:

Area Vice President Approval:

This request is: Approved Denied

Approved with Changes Noted

Printed Name

Signature

Date

This certification is to be maintained in the employee's department in accordance with the University's record retention policy and is subject to audit or compliance reviews.

Cellular Telephone User Certification

Cellular Telephone Information:

Department: _____

Mailing Address: _____

Cell Phone Number: _____

Do one or more employees share this phone? Yes No

If yes, each employee using the cell phone must complete and sign an attachment 2.

User Certification:

I certify that I have read and will comply with the applicable University Cell Phone Administrative Policy and Implementation Procedures.

Printed Name

Signature

Date

This certification is to be maintained in the employee's department in accordance with the University's record retention policy and is subject to audit or compliance reviews.