

Purchasing Procedures

Robert Brown, Purchasing Manager



UNIVERSITY OF
SOUTH ALABAMA

Alabama Competitive Bid Law

- ❑ The University of South Alabama is required to conform to the Code of Alabama 1975 Competitive Bid Law (Code §§ 41-16-1) and the Alabama Public Works Bid Law (Code §§ 39-21-1).
- ❑ With the exception of contracts for public works projects, all purchases of goods, services, materials, supplies, etc., involving annual “like item” fiscal year purchases of \$15,000 or more, made on behalf of any state college or university, shall be made under contractual agreement entered into by free and open competitive bidding, on sealed bids, to the lowest responsible bidder meeting specifications.
- ❑ Public Works projects are defined as any beneficial or valuable change or addition, renovation, construction, betterment, or enhancement of or upon any real property belonging to a public agency to enhance its value, beauty, or utility. (Public Works project require bidding when valued in excess of \$50,000.
- ❑ Common examples of non-Public Works purchases include office supplies, moveable furniture, technology equipment, vehicle rental and purchases, laboratory and scientific equipment, etc.



The Purchasing Process

- ❑ Purchases valued under \$1,000 are to be processed via Limited Purchase Orders or USA P-Card.
- ❑ All purchases in excess of \$1,000 are to be processed via Banner generated purchase orders or USA P-Cards in advance of the required delivery date. Requisitions are prepared by the departmental requisitioner and are forwarded to the Purchasing Department via a series of electronic approval queues that are administered by the Purchasing Department. Purchase orders are then created from the information in the electronic requisition. Copies of the purchase orders are distributed to the vendor, department, and Accounts Payable.
- ❑ All vendors must have a current, active profile in the USA Banner financial database that must include banking ACH payment information. USA no longer issues paper checks to vendor except in unique circumstances. The issuance of paper checks can only be approved by Accounts Payable or the Asst. VP of Finance and Administration.

The Purchasing Process

Direct Pay Forms

The only types of purchases to be made on Direct Pay Request forms, provided the option to use a purchase order is not available, are those listed below. All other purchases of goods and services must be made by Banner purchase order, Limited Purchase Order, or procurement card.

Items authorized for direct pay acquisition:

- Magazines or journal subscriptions
- Registration fees for approved courses, conferences, symposiums, etc.
- Refunds
- Advance payments
- Payment of scholarships, refunds, loans and allowances
- Other items as approved by the University Controller

The supplier invoice or receipt is required prior to preparation and processing of the Direct Pay Request.

Allowable and Unallowable Purchasing Expenditures

It is the policy of the University that all reasonable business expenses, with certain exceptions, are allowed to be paid using University funds. In order to be considered allowable, such expenses must be deemed appropriate and approved by management, and must also meet the Internal Revenue Service's definition of a deductible expense.

The business purpose of all expenditures **MUST** be adequately documented as to the specific purpose of the expenditure to the extent that such documentation would demonstrate compliance to IRS regulations.

All University funds (operating accounts, gifts, grant/contracts, etc.) are expected to be expended in a reasonable and prudent manner and only for business related activities that support the University's mission. Under no circumstance may University funds be used for goods/services that do not have a clear business purpose and/or are personal in nature.

Allowable and Unallowable Purchasing Expenditures

Examples of Allowable Expenditures

- ❑ Membership Dues
- ❑ Flowers for funerals of University employees or their immediate families only if approved by responsible Vice President
- ❑ Congratulatory flowers, appreciation gifts, plaques as approved by the responsible Vice President
- ❑ Flowers for University functions (decorative, table, etc.)
- ❑ Flowers purchased for public areas
- ❑ Holiday greeting cards provided to business associates, donors or other supporters of the University
- ❑ Retirement receptions, as approved in advance by the Dean of the appropriate college
- ❑ Refrigerators
- ❑ Microwave ovens
- ❑ Ice makers
- ❑ Stoves/toasters
- ❑ Water, soft drinks, coffee and supplies for University offices that regularly entertain official guests
- ❑ Visit
<http://www.southalabama.edu/departments/financialaffairs/purchasingdepartment/purchmanual.html#allowable> for additional details regarding allowable/unallowable expenditures

Allowable and Unallowable Purchasing Expenditures

Examples of Unallowable Expenditures

- Political contributions
- Charitable contributions
- Christmas/Holiday cards provided to University employees
- Christmas/Holiday/Birthday parties
- Retirement gifts
- Recognition/appreciation plaques
- Service pins/Retiree gifts – not allowed unless issued by USA Human Resources as part of employee recognition program.
- Tokens of appreciation to employees for assisting the University with the evaluation of a program or other activity
- Coffee pots
- Heaters/fans for individual offices
- Televisions for break room
- Coffee for offices
- Water, soft drinks and coffee for personal consumption by University employees
- Sponsorship of meetings, conferences and events unless payment is for advertising or marketing and advertising benefit is commensurate with the sponsorship amount. Must be pre-approved by the President's Office.
- Sales tax
- Alcoholic beverages

Where to Purchase Goods and Services

Office Supplies

- USA Bookstore
- Staples Business Advantage
- Amazon Business

Computers and Electronics

- USA Bookstore
- CDWG

Furniture

- State contract dealers:
 - OEC
 - Business Interiors
 - McAleer's Office Furniture
- Staples Business Advantage
- Amazon Business

Scientific and Laboratory Supplies

- Fisher Scientific
- VWR International

Where to Purchase Goods and Services

iPads

- USA Bookstore
- Verizon Wireless (Internet-ready cellular models)

Vehicle Rental

- Enterprise
- National

Maintenance and Building Supplies

- Lowe's

Photographic Equipment and Supplies

- B&H Photo

Copy Paper

- Strickland Paper
- Staples Business Advantage

Visit

http://www.southalabama.edu/departments/financialaffairs/purchasingdepartment/where_purchase_goods_services.html for additional details regarding where to purchase goods and services

How To Apply For a USA Identification Number

The University welcomes all individuals, companies, or organizations interested in obtaining a USA identification (J) number to enroll today by completing the following forms:

Domestic Companies:

- [Vendor Registration Form](#)
- [Authorization for Electronic Direct Deposit Form](#)

Individuals:

- [Form W-9](#)
- [Authorization for Electronic Direct Deposit Form](#)

Foreign Entities:

- [Form W-8BEN](#)
- [Vendor Registration Form](#)

Please visit

<http://www.southalabama.edu/departments/financialaffairs/purchasingdepartment/identification.html> for more information.