

# Webster University

## Procurement Policies

### **700.00 Purpose:**

This policy outlines the overall framework for purchasing or acquiring goods or services for the campuses of Webster University located in the United States. The policy acknowledges the need for internal controls while recognizing our entrepreneurial heritage. It is our intention to retain our traditional flexibility while developing the appropriate internal controls.

This policy will work in unison with the following:

- Accounts Payable Policy,
- Expenditure & Authority Policy
- Travel & Expense Policy,
- Construction Payment Policy
- Purchasing Card Policy and Procedures,

### **701.00 Policy:**

The term “purchase” includes the acquisition of all goods and/or services, whether by outright purchase, rental agreements or leases for Webster University. Exceptions to the definition are the acquisition of capital assets including construction services and other contracts as specified by the Vice President for Finance and Administration. These exceptions are managed under other policies, with more stringent controls and requirements.

All transactions defined as a purchase are governed by the following guidelines.

- 1) The University will conduct its business affairs within both the letter and the spirit of all applicable laws and this policy. University employees are to avoid even the slightest appearance of impropriety when performing their duties.
- 2) The University does not enter into purchasing agreements with faculty, staff or members of their immediate families. Procuring from a business in which an employee has an interest is prohibited. Questions concerning potential conflicts of interest should be addressed, in writing, to the Associate Vice President for Resource Planning and Budget.
- 3) The Webster University Hotline is available for personnel concerned with reporting potential conflict of interest in writing. The Hotline is a third party anonymous internet and telephone based reporting tool that enables our community to address potential misconduct.
- 4) The University accepts no financial responsibility for the purchase of goods or services made outside of authorized policies and methods. Such purchases are deemed the financial responsibility solely of the individual making such unauthorized purchases. Verbal orders will not be honored by the University.
- 5) The individual requesting the commitment of University funds for the purchase of goods and service must have budget authority over those funds. Employees with budget authority are identified as the “Responsible Person”. The “Responsible Person” must have an administrative role within the University. The Finance Office will work with each unit to identify the appropriate “Responsible Person”.

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- 6) Expenditure authority is the ability to either initiate requisition or authorize direct payments. Vice Presidents with front-line responsibilities are charged with establishing expenditure authority within their divisions using the guidelines listed below. Front-line departments provide academic programs, student life initiatives and the physical and information technology infrastructure of the University.

<b>Expenditure Authority</b>	<b>Maximum</b>
Department Heads/Extended Site Directors	\$3,750
Designees of AVP/Deans	\$7,500
AVP/Deans	\$15,000
Designees of Vice Presidents	\$30,000
Vice President	\$99,000
President or Vice President for Finance & Administration	+\$100,000

- 7) The Vice President for Finance and Administration and his/her designee are solely authorized to execute contracts on behalf of the University. These generally include but are not limited to; any vendor draft contract or agreement presented to the University that commit the University to either financial responsibility or assign physical and or property liability to the University. Individuals who instigate contracts without the proper authority may be held personally liable. Due to the expense and/or volume of the related purchases, the Vice President for Finance and Administration has authorized the following positions to execute specific contracts on the behalf of the University.
- a. The Dean of the Libraries is authorized to execute agreements for printed and electronic library materials.
  - b. The Director of the University Center and the Director of the Multicultural Center is authorized to execute agreements up to \$2,000 for student life programming.
- 8) All costs associated with a good or service to be provided by a vendor will be shown as a single transaction. Transaction to acquire goods and services will not be "split" for the purpose of avoiding established requirements or expenditure authority approvals.
- 9) Vendors are selected for their ability to serve the needs of the University by providing quality products or services in the most economical and efficient manner possible. Past performance is an important factor when considering potential vendors.
- 10) New vendors to the University must be established in our administrative computer systems before payments or purchase orders can or will be issued to the vendor. Only Procurement Services can establish new vendors. Procurement Services will require the proper tax identification numbers, either corporate tax id or a social security number for an individual, for all new vendors.
- 11) Webster University has three authorized methods for acquiring goods and services, the Visa Purchasing Card (p-card), Check Requests and Purchase Orders.

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### **702.00 Authorized Methods of Payment:**

The following sections outline specific procedures related to the three authorized methods of payment.

#### **702.01 P-Cards:**

1. The p-card program empowers employees with budget responsibility to initiate purchases of \$2,500 and below without a formal purchase order.
2. Expenditures over \$2,500 require approval from supervisors with sufficient expenditure authority and the approval of the Director of Procurement Services and the Associate Vice President for Resource Planning and Budgeting or his/her designee.
3. The P-card is the primary vehicle for incurring travel and entertainment expenses.
4. The card holder must process their transactions within the Works Payment Manager System. Their direct supervisor must approve the transactions in the Works Payment Manager System.
5. In order to close any transaction, the card holder must submit original receipts to their manager.
6. The manager must approve and forward the receipts to the Finance Office.
7. See the P-Card manual for specific instruction concerning the Works Payment System.

#### **702.02 Check Request:**

1. Check Requests are used to request disbursement and distribution of funds for goods for which a purchase order is not required.
2. All Check Requests of \$2,500 or more will require two employee signatures, one of which as budget authority for the department.
3. Listed below are the types of payments allowed on Check Requests.
  - a. Professional Services & Fees ( typically described as legal, banking, insurance, taxes, bonds and the like) – Only members of the Administrative Council can authorize these expenses,
  - b. Dues/Subscriptions/Licenses/Memberships,
  - c. Employee Expense Reimbursements,
  - d. Honoraria,
  - e. Moving and Relocation Expense Reimbursement,
  - f. Real Estate Acquisition & Leases – Only the Vice President for Finance and Administration can authorize these expenses,
  - g. Utility Payments,
  - h. Payments on Contracts or Leases Approved by the Vice President for Finance and Administration – Excluding capital equipment and construction,
  - i. Other expenses as identified by the Vice President for Finance and Administration.
4. Check Requests must have approval from managers with appropriate budget responsibility and sufficient expenditure authority.

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5. Check Request over \$25,000 requires the approval of the Vice President for Finance and Administration or his/her appointed designee.
6. Vendor must be established in the administrative computer systems of the University before a Check Request is issued to a vendor.
7. After receiving the appropriate signatures, Check Requests are submitted directly to Accounts Payable for processing.

### **702.03 Purchase Requisitions & Purchase Orders:**

1. A purchase requisition must be completed in advance and in accordance with University procedures to initiate a commitment for goods and services costing more than \$2,500.
2. Purchase requisitions must have approval from managers with appropriate budget responsibility and sufficient expenditure authority. Purchase requisition must be forwarded to Procurement Services for approval.
3. Written bids or price quotations from vendors are required for any purchase requisition over \$2,500.
4. Units requesting the purchase must obtain competitive quotations/bid proposals for any purchase requisition over \$10,000 and less than \$49,999. All competitive bids must be in writing outlining the items to be provided, the total price and the expected delivery.
5. Procurement Services, working closely with the requesting unit, will solicit and review competitive bids for any requisitions over \$50,000.
6. Upon receiving a purchase requisition, Procurement Services will confirm both the accompanying approvals and bids, determine if the unit has sufficient budget available to purchase the goods or services, confirm that the unit is using an approved vendor and review the proposed purchase.
7. When the procedures outlined in step six are completed, Procurement Services will issue a purchase order, return a copy to the original department and send a copy of the purchase order to the vendor.
8. A confirming purchase requisition, or the practice of requesting a PO while submitting an invoice for payment, is not an acceptable procedure. If it does occur, the department head requesting the PO must submit a letter explaining why the incident occurred. The appropriate Vice President must approve the letter. Once a month the Vice President for Finance and Administration will bring all such letters to an Administrative Council meeting for their review.
9. The University accepts no financial responsibility for the purchase of goods or services made without an official University Purchase Order.
10. Invoices processed against a purchase order cannot exceed the purchase order amount by more than 10% or \$2,500, whichever is less, without an approved change notice.

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### 703.00 Restrictive Purchasing Policies:

Webster University has established restrictive purchasing policies for certain goods and services. The table below outlines the products and restrictions.

Product	Restriction
Computer Equipment and Software	Information Technology is the only office allowed to purchase computer equipment and software products.
Furniture	Procurement Services will purchase all furniture for offices on both the home campus and extended sites.
Office Supplies	Corporate Express is the approved vendor for office supplies excluding toner for copy machines and paper on the Saint Louis campus.
Cell Phones	Procurement Services manages the cell phone program for Webster University. It is our intermediate term goal to have all cell phones supported by the University to be part of this program.
Copy Machines & Toner	Procurement Services negotiates the acquisition of equipment and services.
Travel Agencies	Gwins Travel is the approved travel agency of the University.

### 704.00 Implementation:

The Director of Procurement Services will establish procedure for the implementation of the above policies.