



**Policy Title: Procurement Policy**

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**Responsible Executive: Chief Procurement Officer**

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**Responsible Office: Business Services**

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## 2. Procurement Policy

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**Policy Statement**

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Baylor University supports sustaining and promoting a procurement environment based on the understanding that departments and schools are in the best position to determine their needs to run their programs. Policies, procedures, and processes are meant to support acquiring goods and services in a timely and cost-effective manner, while also making sure appropriate business processes are followed.

This policy is intended to comply with federal legal requirements as well as those in Texas and other states where Baylor employees may reside and work in accordance with the Baylor University Alternate Work Location policy.

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**Reason for the Policy**

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This policy is intended to guide University employees making and approving purchase transactions on behalf of the University. Considerable authority has been delegated to departments and schools to make purchasing decisions. This requires that employees involved at every step of the process take full responsibility for understanding the University's policies and procedures regarding purchasing, payment, and supplier management. Purchasing decisions are business decisions made on behalf of the University, and therefore should be made with the utmost consideration and in the best interests of the University. Purchases should also be conducted in the most efficient and cost-effective manner. Additionally, following policy and procedures ensures that appropriate business processes occur when dealing with outside suppliers.

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**Individuals/Entities Affected by this Policy**

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This policy applies to all University faculty, staff, and students who make purchases on behalf of the University, regardless of the funding source.

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**Policy Enforcement and Disciplinary Action for Violation of University Policy**

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Employees must be fully authorized in the Ignite system in order to commit the University's resources to make purchases. University personnel are responsible for adherence to all sections of this policy. Examples of improper use of purchasing authority may include but are not limited to:

- Stringing or splitting a large purchase into two or more smaller orders to avoid bid requirements and required approvals.

### 3. Procurement Policy

- Conflict of interest and/or poor ethical conduct.
- Not processing a purchase utilizing Ignite (requisition to purchase order process).
- Improper, misleading, or deceptive use of the Sole Source Justification or any related information.

University personnel, departments, schools, or business units will be subject to disciplinary action for failing to handle purchases according to University policies and procedures. Actions will be coordinated with the appropriate University stakeholders, such as Human Resources, Internal Audit, Procurement and Payment Services, and Departmental leadership. These actions may include:

- Elimination of delegated purchasing authority for the individual or department/school
- Personal liability related to unauthorized purchases
- Disciplinary actions, up to and including termination of employment

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## **Exclusions**

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NONE

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## **Related Documents and Forms**

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### **University Policies and Documents**

[Purchasing Card Policy](#)

[Surplus Property Policy](#)

[Travel and Business Expense Policy](#)

[Tax Manual](#)

[Contract Signature Authority and Board Approvals Policy](#)

[Outside Activities and Interests Policy](#)

[Standards of Personal Conduct](#)

[Licensing/Trademark Policy](#)

[Vehicle Purchasing Guidelines](#)

[Records Retention Policy](#)

### **Forms and Tools**

Procurement and Payment Services forms can be found here:

<https://procurement.web.baylor.edu>

## 4. Procurement Policy

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## Definitions

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These definitions apply to terms as they are used in this policy:

Ignite	The University's financial system – Oracle Cloud
Procurement	Procurement encompasses Procurement Operations, Strategic Sourcing, Contract Administration, and Travel and Card Program Management
Requisition	A formal request for goods or services
Purchase Order	A formal document used to communicate purchases between a buyer and a supplier
Invoice	An itemized list of goods shipped, or services performed, usually specifying the price and terms of sale
Payment Term	A stipulation of the terms required for payment of goods delivered or services rendered. Payment terms outline how, when, and by what method payments must be made

## Contacts

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Subject	Contact	Telephone	Office email/web site
Strategic Sourcing	Procurement Services	254-710-1561	<a href="mailto:Procurement_services@baylor.edu">Procurement_services@baylor.edu</a>
Procurement Operations	Procurement Services	254-710-1561	<a href="mailto:Procurement_services@baylor.edu">Procurement_services@baylor.edu</a>
Payment Services	Payment Services	254-710-2415	<a href="mailto:Accounts_payable@baylor.edu">Accounts_payable@baylor.edu</a>
Expense Management	Payment Services	254-710-2415	<a href="mailto:Accounts_payable@baylor.edu">Accounts_payable@baylor.edu</a>
Travel and Card Program Management	Procurement Services	254-710-1561	<a href="mailto:Procurement_services@baylor.edu">Procurement_services@baylor.edu</a>

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**Responsibilities**

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Strategic Sourcing	Responsible for strategic planning, supplier development, contract negotiation, supply chain infrastructure, and developing other sourcing or service models to support campus
Procurement Operations	Responsible for the University's day-to-day transactional purchasing needs, such as issuing purchase orders to suppliers, performing bidding events for non-catalog orders, and supporting departments' general purchasing needs
Payment Services	Responsible for issuing payment for invoices and expenses as well as ensuring the University has the necessary information from suppliers to pay and provide required financial reports
Travel and Card Program Management	Responsible for maintaining and controlling the University's use of the Purchasing and Travel Card programs, and the coordination of travel and expense management

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## **Principles**

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The University's goal for every purchasing transaction is to obtain the best value possible. The University strives to procure goods and services through competitively bid contracts to achieve the best value and ensure appropriate terms and conditions exist to properly protect the University and supplier. When bids are required by policy, they are conducted on a competitive basis without favoritism in a manner to prevent conflicts of interest. Interested suppliers will receive fair and impartial consideration.

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## **Supplier Diversity**

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Baylor University is committed to achieving a diverse supplier base and increasing participation from Black, Indigenous, People of Color (BIPOC), veteran and women-owned enterprises, and prioritizing local businesses throughout the University's procurement efforts. The University is diligently working to identify and eliminate obstacles that may impede the success of these businesses in working with the institution and actively pursuing opportunities to foster and leverage strategic alliances with suppliers to advocate for their continued growth.

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## **Role of Procurement and Payment Services**

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Procurement and Payment Services consists of Purchasing Operations, Strategic Sourcing, Contract Administration, Travel and Expense Management, and Payment Services.

Key responsibilities of Procurement and Payment Services include:

- Upholding and applying university policies and procedures
- Providing oversight for all purchasing processes
- Leading competitive procurement activities
- Creating contracts for departmental use
- Managing supplier relationships and quality assurance
- Providing oversight for procurement-related systems and enhancements
- Working with university departments to optimize procurement and manage risks
- Providing oversight for supplier database maintenance
- Providing oversight for card, travel, and expense programs
- Executing payments to suppliers and employees.

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**Authorization**

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Business Officers and other designated employees in University departments, schools, and research units have the authority to purchase goods and services directly with suppliers via procurement cards at a value below \$2,500 without the requirement of a contract or when an appropriately executed contract covering the purchase already exists. Authority to purchase at a value of \$2,500 or above is solely delegated to Procurement and Payment Services, the department within Business Services responsible for the procure-to-pay process holding the primary authority for University purchasing and contracting. No supplier work may begin before a contract is executed or a purchase order is issued.

For those purchases at a value of \$2,500 or above that occur through Procurement and Payment Services, the following levels of approval authority must be attained by the departmental purchaser as the purchase flows through the Ignite system:

Requisition Amount	Approval Authority
Less than \$25,000	Financial Manager
Between \$25,001-\$100,000	Business Officer Approval
>\$100,001	University Level Approval

All faculty, staff, and students involved in the purchasing process must take full responsibility for understanding University policies and procedures. All Procurement decisions are business decisions made on behalf of the University and therefore should be made in the best interests of the University. Segregation of duties and responsibilities are incorporated into all purchasing processes and provide proper levels of controls.

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**Ethical Standards of Conduct**

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Baylor University values integrity in all its programs and procurement processes. Ethical business standards shall govern all procurement transactions. Infractions of University policy are to be reported to the Chief Procurement Officer, Department Chairs, University Business Officers, and/or Internal Audit. Disciplinary action for those violating ethical business standards will be taken in accordance with applicable University policy, up to and including termination of employment.

## 8. Procurement Policy



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## **Conflicts of Interest**

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A conflict of interest occurs when there is a divergence between an individual's private, personal economic relationships or interests and his/her employment obligations to the University such that an independent observer might reasonably question whether the individual's actions or decisions are determined by considerations of personal benefit, gain, or advantage, rather than those of the University. To ensure propriety and transparency in all purchases, special attention must be given to the following relationships and circumstances among University personnel and suppliers in accordance with the University Conflict of Interest Policy (BU-PP 800):

- **Employee and/or Agent Conflict of Interest**

University personnel may not participate in the selection, award, or administration of a contract or purchase transaction if the University personnel has a real or apparent conflict of interest. This prohibition includes but is not limited to procurement involving immediate family as defined in BU-PP 800. A conflict of interest exists when an employee of the University has an outside personal and/or economic interest, which may potentially oppose the best interests of the University. Additionally, University personnel may not derive any personal, financial, or other benefits from any contract or transaction, including transactions using federal, state or other externally-sponsored funds or benefitting a federal or other externally-sponsored award or contract.

- **Contractors/Consultants Conflict of Interest**

Contractors or consultants that draft bid specifications or requests for proposals, or any other purchasing request, on the University's behalf are thereby disqualified from bidding on the opportunity. While such contractors or consultants are not automatically disqualified from other opportunities, care must be taken to ensure that the work for the University does not afford an unfair advantage over competitors.

- **Organization Conflict of Interest**

Procurement from any current or future University affiliate or subsidiary is prohibited. Organizational conflicts of interest are considered restrictive of competition when requesting proposals for procurement.

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## **Gratuities, Rebates, and Gifts**

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University personnel should neither solicit nor accept money, loans, credits, entertainment, hospitality, favors, services, or gifts from current or prospective suppliers. Such gratuities, even of seemingly low value, can give rise to a conflict of interest or the appearance of a conflict of interest. Gifts of nominal value, such as promotional items bearing a company logo (e.g., pens, mugs), that are widely distributed and are clearly for promotional purchases may be accepted. Employees should seek guidance from their immediate supervisor if they are uncertain about the appropriateness of any gift.

University personnel should never accept gratuities from a current or prospective supplier that has submitted or may submit a bid for a contract for which a bid solicitation is being contemplated, developed, or accepted. If it is deemed necessary to visit a supplier site for a demonstration, the University must pay all related expenses. Suppliers who offer inappropriate benefits or rewards to individual University personnel shall be immediately reported to Internal Audit for review. Subsequent actions may include removal as an approved supplier and disqualification from future business with the University.

For additional information regarding the acceptance of gratuities, rebates, and gifts, please consult the Outside Activities and Interests policy found [here](#).

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## **Competitive Bidding**

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Departmental purchasers should verify if a University preferred supplier has been selected for the goods or services needed. If no University preferred supplier exists for the goods or services, bids or quotes must be solicited from at least three suppliers for purchases of an aggregate amount of \$25,000 or more. Department personnel should contact Procurement to conduct a formal bid. A structured process should be utilized that includes a formal definition of requirements, standard University terms and conditions, description of the process, and definition for how the award decision will be made. Award decisions will be made to the supplier representing the best overall value to the University.

### **Purchases Less Than \$25,000**

Purchases of an aggregate dollar amount less than \$25,000 do not require competitive bids if the departmental purchaser determines the price for goods or services is fair and reasonable. To the extent practicable, University personnel must distribute purchases less than \$25,000 equitably among qualified suppliers. If the departmental purchaser or approver has any question about the fairness or reasonableness of the pricing, a competitive bid process should generally be used.

### **Purchases From \$25,000 to \$100,000**

Purchases of an aggregate dollar amount between \$25,000 and \$100,000 require quotes from a minimum of three (3) suppliers. Departmental personnel should submit a requisition with necessary technical specifications and other information to appropriately define the required good or service. Procurement Services will work with the departmental personnel to gather the necessary quotes and finalize an award. If there is any doubt or question as to whether a procurement may be greater than \$100,000, department personnel should treat it as a purchase greater than \$100,000 and contact the Strategic Sourcing for assistance with the purchase.

### **Purchases Greater Than \$100,000**

Purchases of an aggregate dollar amount greater than \$100,000 are subject to a formal competitive Procurement process. Strategic Services will coordinate with the departmental personnel requesting the goods or services, as well as any other relevant departments that may have an interest or expertise within the subject matter of the request.

### **Split Orders**

It is a violation of University policy to split individual orders or awards into multiple smaller orders or awards to circumvent this policy. There will be no exceptions to this policy.

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### **Competitive Bidding – State and Federal Grant Purchases**

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The federal Office of Management and Budget issues and revises Title 2 U.S. Code of Federal Regulations, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, which details guidelines that must be followed for purchases made with federal grant funds. Not all federal agencies adopt revisions of the Uniform Guidance on the same timeline; therefore, purchasers using federal grant funds must ensure they are complying with the current purchasing terms of

the federal agency from which funds are attained. More information can be found at: <https://www2.ed.gov/policy/fund/guid/uniform-guidance/index.html>

The Comptroller of Public Accounts Statewide Procurement Division (SPD) publishes the Texas Grant Management Standards (TxGMS) to promote the efficient use of public funds in local government and in programs requiring cooperation among local, state, and Federal agencies. More information can be found at:

<https://comptroller.texas.gov/purchasing/docs/grant-management-reader.pdf><https://comptroller.texas.gov/purchasing/docs/grant-management-reader.pdf>

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## Waiver of Competitive Bidding

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A request for waiver of competitive bidding **may be granted** when a purchase of goods or services exceeds competitive bidding thresholds and one or more of the following conditions apply:

- **Sole Source** – In limited cases, only one supplier may exist to provide goods or services meeting specifications or requirements for the procurement.
- **Emergency** – In the event of a public emergency which cannot permit delay.
- **Economic** – When the absence of a particular purchase would lead to additional costs; when opting for an alternative supplier could result in system incompatibilities; when the need for extensive training, time, and financial investment makes a new supplier impractical; or when the goods or services are integral to ongoing long-term projects.

When providing a justification based on a sole source, the goods or services must be defined in generic terms. Specifying patented products or processes when not necessary to meet functional requirements is not acceptable as a sole source justification. Justifications can be accepted more readily by providing information regarding attempts to locate other suppliers, such as letters from manufacturers, or quotations with specifications. The following justifications may be helpful to consider for substantiating a sole source:

- **Compatibility with existing equipment** – This justification may apply if the goods or services are being purchased to directly interface with or attach to equipment of the same manufacturer, and no other manufacturer's goods will correctly interface with existing equipment.
- **Compatibility for instructional purposes** – This justification may apply if the goods are being purchased to supplement existing equipment in a classroom, the goods

must match the existing equipment, and the goods are being purchased to provide uniformity for instructional purposes.

- **Compatibility for research** – This justification may apply if the main purpose for acquiring equipment or supplies is to replicate specific experiments, using the exact goods that produced the original results, or in collaboration with other researchers in which identical goods are required to fulfill part of the research grant or contract.
- **Compatibility with entity requirements** – This justification may apply if a federal, state, or other awarding agency or pass-through entity expressly authorizes a single supply source.

The request for waiver of competitive bidding must be attached to the requisition or contract request and submitted to Procurement Services for approval. If purchasing with federal or other externally sponsored funds, the request will also be reviewed by a representative from the Office of the Vice Provost for Research.

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### **Requisition and Purchase Order Requirement**

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The purchase of most goods and services from outside suppliers begins by initiating a requisition in Ignite. This must occur at the time the good or service is requested to be ordered, not at such point in time that payment is required to be made.

The requisitioning process ensures that an approved and official purchase order is issued. An official purchase order includes the University's standard terms and conditions, specifying each party's rights and obligations, and is the legal document that governs the transaction and minimizes risk to the department and University.

A department may face financial loss and delays if the terms of the purchase are not understood by both parties at the initiation of the purchase. It is especially important when there is no formal contract governing the purchase (i.e., purchases from non-Marketplace suppliers <\$25,000). Suppliers must agree to the University's standard purchase order terms and conditions. If a supplier submits their standard terms and conditions with a quote, they must be reviewed and approved by Procurement before a purchase order is issued, which may result in additional time to approve the purchase.

Unless otherwise permissible as a specific payment request transaction, any invoice received from a supplier that does not clearly reference a valid Purchase Order will be rejected and returned to the supplier.

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## **Contract Requirement**

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In line with Texas Statutes Sec. 26.01 and Sec. 26.02, any purchase or financial commitment made by the University that falls under the conditions specified by these sections – including but not limited to contracts for the sale of real estate, leases of real estate for a term longer than one year, agreements not to be performed within a year, or loan agreements with financial institutions exceeding \$50,000 in value – must be formalized through a written agreement. This ensures compliance with state regulations and provides clarity, accountability, and legal protection for both the University and other parties involved.

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## **After-the-Fact Purchasing**

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An After-the-Fact purchase occurs when liabilities are incurred on the University's behalf without prior approval of a requisition and communication of a valid Purchase Order. After-the-Fact purchases may be rejected at the University's discretion; therefore, any University personnel that have inappropriately, or without authority, incurred or created an obligation without an approved Purchase Order or other exemption may be personally liable for such obligation. After-the-Fact purchases made under sponsored projects may not be allowed if the purchases have not undergone the federal purchasing requirements review process that occurs before the issuance of a Purchase Order.

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## **Disallowed Purchases**

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University funds should not be used for the following purposes:

- Any purchase that reflects unfavorably upon the University and its core values.
  - Rare exceptions for alcohol purchases must be pre-approved by Vice President and Chief Compliance and Risk Officer.
- Any item or service that is for the personal use of an employee (not for Baylor business purposes) unless otherwise explicitly identified in this policy.
- Personal gifts to students.
  - Exceptions made for student athletes where NCAA policy deems permissible.
- Personal gifts to faculty, staff, suppliers, and regents.
  - Prohibited gifts include, but are not limited to, all forms of property, including money, gift certificates, and tangible personal property. Non-cash gifts of de minimis value may be allowable as 'de minimis' is defined by the Baylor Tax

Manual. All gifts to faculty and staff must include sales tax and be reported to the payroll office to determine potential tax implications.

- Non-work-related departmental, school/college, or divisional luncheons, dinners, or parties/celebrations/receptions
- Solicited/unsolicited donations or political contributions. Baylor University is classified as a 501(c)(3) tax-exempt institution and the IRS limits the entities that such an institution may donate to, and the purposes for which it may donate, without the loss of its tax-exempt status.
- Individual social and merchant memberships which include a potential personal employee benefit (Baylor Club, Sam's Club, Amazon Prime, or LinkedIn memberships), unless specifically stated in the employment and reported as taxable compensation.

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### **Purchasing Items with University Logos and Marks**

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Baylor University has exclusive rights to its name, logos, trademarks, songs, mottos, and mascots and prohibits their unauthorized use. Suppliers who manufacture and/or sell items imprinted with Baylor trademarks (to the public, Baylor departments/schools, or student organizations) are required to be licensed by Baylor. Licensees operate under specific guidelines; all products and designs must be approved by the Baylor Trademark Licensing Office and athletic branded purchases through Baylor Athletics. The items must include an 'officially licensed' hangtag or label, and royalty reports must be submitted regularly. More information is available through <https://licensing.web.baylor.edu>.

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### **Purchasing Technology Systems and Software**

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The purchase of technology system software, including cloud-based systems or applications without review and approval by Information Technology Services is prohibited. The purchase of software or applications which handle sensitive information must be reviewed and approved by Information Technology Services.

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### **Insurance Requirements**

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The University has established minimum contractor liability insurance requirements. This applies to all contractors performing work, whether directed to Baylor and/or to others as a representative of Baylor, both on and off campus. Category Managers are charged with the review and approval of any exceptions to the standard insurance requirements. At times, when appropriate, exceptions may be reviewed and approved by University

Compliance and Risk Services. Departments with specific questions regarding supplier insurance requirements should contact Procurement and Payment Services.



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## **Freight Terms**

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“F.O.B. Destination” means that legal ownership of the item transfers to the University upon reaching its destination. Therefore, the supplier pays all shipping costs and is also responsible for the goods during transit. F.O.B. Destination is the University standard delivery requirement since it provides the most protection to the department and the University. It should be negotiated into all purchases whenever possible.

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## **International Procurement**

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Departmental purchasers must involve Procurement in any international procurements, to address freight, duty, brokerage, shipping term/method, currency, and other related items.

International shipping terms vary greatly and can significantly impact cost. The preferred incoterm used for international shipments is DDP (Delivered Duty Paid).

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## **Purchases Delivered to Non-University Addresses**

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Purchases made on behalf of the University are intended to be used in the service and mission of the department or business unit; thus, it is preferred that all purchases made are delivered directly to the ordering entity on the University campus(es), or University-affiliated address.

In some instances, it may be necessary to have purchases shipped to personal or non-University addresses. In these cases, justification should be included in the ordering documents which specify the rationale for the address selected. Purchases made on behalf of the University but delivered to non-University addresses are still the property of the University, and all assets must be maintained accordingly.

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## **Payment Terms**

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The University’s standard payment terms are NET60 (payment is due 60 days from the day the invoice is received) unless otherwise agreed to in writing by the supplier and the University. Only Procurement and Payment Services has the authority to amend or negotiate the payment terms with any current or potential University supplier.

Down payments or deposits requested by suppliers before goods are shipped or services are performed should be addressed by Procurement Services prior to making any commitment on behalf of the University. University personnel incurring such requests

should contact Procurement Services who will work together with the requisitioner on behalf of the University to secure a favorable outcome.

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### **Records Retention**

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Copies of all documentation related to purchases must be retained by Procurement Services as a part of an Ignite transaction or in a file maintained by Procurement and Payables Services in accordance with the University's [Records Retention Policy](#). Procurement and Payment Services reserves the right to request and review any document related to a purchase decision.

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### **Confidentiality**

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All information exchanged between a supplier and the University throughout the procurement to payment process is CONFIDENTIAL and shall remain the property of the University. No information (copies of bids, correspondence, contracts, etc.) is to be released to individuals or organizations outside of the University without the expressed joint permission of leadership within Procurement and the Office of General Counsel.

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### **Miscellaneous**

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This Policy does not constitute or create a contractual obligation on behalf of the University toward, or with, any individual or entity, including, without limitation, contractors or employees.

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## Procedures

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Procurement procedures are updated regularly, with the most recent revisions available on the [Procurement and Payment Services website](#).

### The Purchasing Process

The following steps should be taken by University personnel who wish to make a purchase using University funds:

1. Determine departmental need for goods and/or services.
2. Determine if any federal/state purchasing guidelines apply to the purchase under a federal/state grant that may restrict the procedures followed for the purchase.
3. Determine who has the authority to purchase the goods and/or services, and consistently review the purchasing process for any conflicts of interest regarding the departmental employees involved.
4. Determine whether the goods and/or services can be acquired through a preferred supplier and/or strategic contract in the University's Ignite system. If not, determine whether (1) this purchase is a Non-Purchase Order transaction or (2) competitive bids are necessary for the purchasing process.
5. If a preferred supplier and/or strategic contract does not currently exist for the desired goods and/or services and the purchase is neither a Non-Purchase Order transaction nor a competitively bid purchase, initiate a requisition in Ignite, with the request of the use of a prospective supplier and the submission of a new supplier request form. Supplier will be reviewed for necessary documentation and requisition will be reviewed for determination of sole source status (see *Bid Waivers* below). If the sole source request is approved, the supplier's contract template (if required) will be reviewed by General Counsel and other departments.
6. Upon approval of the requisition, the supplier request form, and the submitted contract (if required), an approved Purchase Order will be sent to the supplier. Either the University's standard Terms and Conditions or the supplier's revised contract will be issued with the Purchase Order.
7. Once goods are received and/or services are performed, suppliers are instructed to send invoices electronically directly to Payment Services for timely and efficient processing. However, if a department receives an invoice from a supplier associated with an active purchase order, the department should send the invoice to Payment

Services referencing the purchase order number. A purchasing transaction is complete only after the goods or services have been received, the invoice has been received and approved, and the supplier has been paid.

### **Supplier Requests and Registration**

Preferred suppliers are suppliers with which the University has selected and contracted through a competitive process and has fulfilled the registration requirements of the University. The contracted pricing and associated terms are secured at the best value and these agreements are made available to authorized users. Departmental purchasers should determine if a preferred supplier is available to source desired goods and services before engaging in the process of requesting a new supplier.

Many preferred suppliers with strategic contracts are available in the University's Ignite Marketplace. In the event a strategic supplier is not in the Marketplace, it is encouraged that users contact Strategic Sourcing to see if a strategic contract exists for the supplier or desired purchase.

Strategic Sourcing should also be contacted before placing large quantity orders from suppliers, including preferred suppliers, as the orders may be eligible for additional discounts.

If a preferred supplier or strategic source does not currently exist, a departmental purchaser may request using a prospective supplier. Before doing business with the University, the following information is required of a prospective supplier: required tax documentation, payment terms, contact information, purchase order distribution information, supplier diversity, and other critical elements. Suppliers must disclose to the University any potential conflicts of interest that may exist between the supplier and the University or University employees. Departmental purchasers must ensure the required information is submitted and approved before any payments are made.

All information will be reviewed and verified by Procurement and Payment Services. This review and approval process supports the University's reporting and compliance requirements, protects the University's reputation and goodwill, and helps mitigate risks associated with fraudulent supplier payments. Additionally, all supplier requests are verified for compliance with state and federal debarment rules.

Only approved suppliers that have submitted a registration request, required tax documents, and have met the University's registration requirements will be available in Ignite. If a department wishes to purchase from an unapproved supplier, they must

coordinate with the supplier to submit the registration request. The timeliness of the registration process is dependent upon the accuracy and completeness of the supplier's documentation and responses to the registration questionnaire.

### **Purchase Orders and Change Orders**

Once all approvals have been applied, the Purchase Order will be issued and sent to the supplier based on the dispatch method identified in their registered supplier profile in Ignite. The order will be distributed via electronic transmission (EDI or cXML), email, or fax, whichever is the preferred method listed on the supplier profile.

Changes that need to be made to Purchase Orders that have already been sent to the supplier can be initiated by departments by submitting a Purchase Order Change request through Ignite. Most change orders created will be communicated automatically to the supplier.

Purchase Orders may be communicated within hours of requisition approval and suppliers begin the fulfillment process immediately upon receipt. Thus, when changes are required, it may be necessary to contact Procurement to determine whether a Change Order, Purchase Order cancellation, or credit memo and new Purchase Order will be more appropriate.

### **Invoices**

All invoices must be sent to Payment Services directly from the supplier. Invoices must match the associated purchase order. Invoices that do not match within acceptable tolerances may be rejected and returned to the supplier or short-paid up to the matching PO amount. Payment Services reserves the right to review and potentially decline payment on the submission of old Invoices, particularly if they exceed 180 days from the date of goods delivery or service completion.

Invoices for orders greater than \$10,000 must be approved before Payment Services will issue payment. By approving the invoice, the approver is certifying that the invoice amount is accurate, and goods/services are acceptable or satisfactorily rendered.

### **Non-Ignite Marketplace Internet Orders**

Internet purchases made outside of the Ignite marketplace should be minimized, as most online purchases pose an increased risk to the University. The Ignite Marketplace is intended to more efficiently fulfill departmental needs for most routine purchases and

should be used whenever possible to avoid purchasing from un-registered, online suppliers.

### **Non-Purchase Order Transactions**

The purchase of most goods and services from outside suppliers is to be preceded by the issuance of an official Purchase Order generated through Ignite that is then sent to the supplier electronically. As stated above, it is only through the issuance of such a Purchase Order that a supplier receives the University's official Terms and Conditions governing the purchase, preventing future legal and financial conflicts. However, the University has identified some exceptions for certain transaction types that are considered low dollar and low risk, where a formal Purchase Order may not be necessary. Below is more detail on the alternative procurement and payment methods available:

#### **Purchasing Card**

The Purchasing Card is an important component of the overall procurement strategy for the University. However, the use of the Purchasing Card is the exception, not the rule. Purchasing Cards are to be used on a limited basis. It is not to be used for all purchases or to avoid using the standard requisition/Purchase Order process. There is no right to a Purchasing Card and it may be revoked at any time in the sole discretion of the University. The Purchasing Card **MUST NOT** be used to order from suppliers that are in the Marketplace. Departments are encouraged to use the Purchasing Card for purchases less than **\$2,500** which are low-risk, low-dollar and/or non-recurring transactions.

#### **Payment Requests**

A Payment Request may be used to request payment for services when the transaction does not warrant the issuance of an official PO to a supplier, for direct billed contracted services, services for which it is the normal practice to pay in advance, and for certain special payments such as recurring or international.

A Payment Request may **NOT** be used as a method to pay invoices for goods or services. Payment Services reserves the right to refuse approval of a Payment Request from those departments that consistently refuse to use the proper purchasing method.