

POLICY

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Approved By: President Sabah Randhawa

Authority: RCW [28B.10.029](#); RCW [39.26](#), RCW [43.19](#); RCW [42.52](#); FAR [52.203-7](#)

Cancels:	POL-U5341.01 POL-U5348.03 POL-U5348.12 POL-U5348.13 POL-U5341.02	Purchasing with University Funds Authorizing and Monitoring Purchases Reimbursing for Official University Business Purchasing Lounge Appliances Approving Invoices for Payment
See Also:	POL-U5320.03 POL-U5315.25 PRO-U5348.01A STN-U5348.01A PRO-U5348.01B STN-U5348.01B STN-U5348.01C STN-U5348.01D PRO-U5410.01A	Authorizing and Defining Financial Responsibilities Reporting Loss of University Funds or Property Requesting a Sole Source Standards for Ethical Purchasing Reimbursing Employees Standards for Controlled and Prohibited Purchases Standards for Purchasing and Payment Methods Standards for Reimbursements Disclosing Conflict of Interest Procedures

POL-U5348.01 PURCHASING GOODS AND SERVICES

This policy is intended to achieve sound stewardship of University Resources. The policy applies to all purchases of goods and services with University funds.

Definitions:

Kickback: Any money, fee commission, credit, gift, gratuity, thing of value or compensation of any kind that is received directly or indirectly from any vendor or prime contractor, vendor or prime contractor employee, subcontractor or subcontractor employee for the purpose of improperly obtaining or rewarding favorable treatment in connection with a purchase or contract or in connection with a subcontract relating to a prime contract.

Purchase: The acquisition of goods and services, including the leasing or renting of goods.

1. Director of Business Services/Chief Procurement Officer (CPO) Ensures an Effective System for Management of and Control over Purchasing

Under the purview of the Vice President for Business and Financial Affairs (VP for BFA), the CPO will serve as the primary point of contact with the Washington State Department of Enterprise Systems and ensures the University:

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- a) Implements cost effective and efficient purchasing processes that are compliant with state and federal regulations,
- b) Implements required and effective training programs, and
- c) Monitors purchasing and receiving activities through efficient and effective internal processes.

2. **Only Authorized Individuals May Make and/or Approve Payment of Purchases**

Only individuals authorized by a Budget Authority, or Financial Manager may make purchases.

Only authorized Budget Authorities and Financial Managers may approve purchases within the parameters of their authority and in compliance with purchasing rules. Such authority may only be granted via the *Budget Authority Authorization* or *Financial Manager Maintenance form*.

All purchases must be made and approved in accordance with relevant policies, procedures and standards. See also the *Authorizing and Defining Financial Responsibilities* policy (POL-U5320.03) and *Issuing and Using University Credit Cards* policy (POL-U5348.04).

3. **Research and Sponsored Program (RSP) Requirements Must Be Met When Grant Funds Used**

Purchases made with grant funds must comply with applicable federal and grant requirements as specified in the *Purchasing and Payment Method Standards* (STN-U5348.01C).

4. **Training Is Required**

Employees authorized by a Financial Manager to make or approve purchases must complete training as required by Business Services prior to commencing purchasing related duties. Business Services will provide necessary training to support departments in meeting purchasing requirements.

5. **Ethical Conduct Is Required**

As part of fulfilling their duties responsibly, all employees involved in the purchasing and receiving process must follow the University's *Standards for Ethical Purchasing* (STN-U5348.01A) which includes, but is not limited to:

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- a) Avoiding conflicts of interest,
- b) Not accepting or giving gifts or kickbacks to secure a purchase or contract, and
- c) Reporting suspected misconduct.

Purchasers and approvers of goods and services must disclose any potential personal or financial conflict of interest with current or potential vendors to the CPO (and to the federal awarding agency in the case of grant funds). See *Disclosing Conflict of Interest* procedures (PRO-U5410.01A) and form.

6. Financial Managers Must Ensure Compliance with Controlled and Prohibited Purchases

Controlled items require additional approvals outside the normal purchasing process and prohibited purchases must be strictly adhered to. Financial Managers and those with purchasing related responsibilities must ensure:

- a) Controlled items go through the required pre-approval process, and
- b) Prohibited items are not purchased with University funds.

Such items are outlined in the *Standards for Controlled and Prohibited Purchases* (STN-U5348.01B).

7. VP for BFA Defines Dollar Limits for Purchases

The VP for BFA approves dollar limits for individual, daily and monthly transactions that, if exceeded, require additional review to ensure cost saving practices and compliance with state and federal rules. These limits and required approvals are based on the purchasing method (i.e. transaction limits for purchases made with a credit card) and are specified in the *Purchasing and Payment Method Standards* (STN-U5348.01C).

These limits are not budget authority limits set for individual employees by financial managers. Purchase approvers may only authorize expenditures within the financial authority they have been granted via the *Budget Authority Authorization* e-sign form ([FRM-U5230.03B](#)).

Efforts to avoid exceeding a threshold and/or approval process, such as creating multiple transactions, is strictly prohibited. This includes submitting multiple reimbursement requests to avoid exceeding a threshold and/or approval process.

8. Purchases Must be Necessary and for Official Business Use Only

Purchase of goods and services must be for official University business only and deemed necessary to assist the University in meeting its mission and objectives.

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Purchases for personal use is strictly prohibited including using University funds to make personal purchases with the intention to reimburse the University. See *Required Practices for Using University Resources*.

9. Purchase and Payment Methods Determined by Business Services

The CPO determines allowable purchasing and payment methods based on the type of good/service and transaction amount. Allowable methods are outlined in established written standards and procedures. See *Purchasing and Payment Method Standards* (STN-U5348.01C).

10. Goods Must be Shipped to Official University Addresses

Creation of or maintenance of University mail stop addresses for the purpose of shipping and receiving mail and goods must be approved in accordance with Mail Services procedure.

Providing a non-University address to a vendor or independent contractor for receiving University business mail and/or goods is strictly prohibited. Any exception must be pre-approved in accordance to Mail Services procedures.

11. Receiver of Goods Must be Designated

The Financial Manager must designate a receiver(s) for goods purchased through or outside of Western's Marketplace, and direct such receiver(s) to ensure all ordered goods have been:

- a) Received in acceptable condition and as requested,
- b) Damaged goods are immediately documented and reported to the vendor within 15 calendar days or sooner if required by the vendor,
- c) Receipt of goods is acknowledged in accordance to the appropriate procedure to allow payment to be made on time, and
- d) All related documentation is maintained as required.

In designating a receiver for shipped goods, the Financial Manager must ensure separation of purchasing, approving, and receiving duties to provide internal controls.

12. Approved Invoices Required for Payment

Vendor payments will not be paid without an approved invoice. Approval for payments are to be made in accordance with the *Purchasing and Payment Method Standards* (STN-U5348.01C).

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13. Documentation to be Retained

All documents related to a purchase of goods and services (e.g. receipts and packing slips) must be retained in accordance with the University's retention requirements.

All hard copy documents may be scanned digitally for retention purposes. The scanned digital document then becomes the operative (original) record and the hard copy may then be destroyed. For purchasing and receiving purposes, the department should ensure the good or service is paid in full prior to destroying any hard copy record that is to be replaced by a scanned document.

Divisions, colleges and departments may have internal procedures that require personnel to retain hard copy documents that are scanned. However, for the purpose of retention requirements, the scanned copy will be considered the official record.

14. Purchases Made with Personal Funds are Reimbursable Under Certain Conditions

Business expenses should always be paid directly through appropriate University buying and payment methods other than reimbursement. Payment by reimbursement should only be used when other University methods are not feasible.

When it is determined to be necessary, reimbursements may be authorized when:

- a) The employee, student, or non-employee/student receives prior approval to make the purchase using personal funds from the Budget Authority or Financial Manager (see exception below),
- b) Purchases comply with relevant policies, procedures and standards,
- c) An itemized receipt is provided, and
- d) Reimbursement procedures (PRO-U5348.01A) are followed.

Exception: Purchases made without prior approval may be approved if compliant with b – d above but are not guaranteed. Financial managers should communicate expectations of what types of purchases require prior approval and which ones are granted open ended approval (e.g. office supplies). This communication is encouraged to be in writing from a financial manager to all employees and budget authorities.

Travel related reimbursements must also comply with travel related policies, procedures and standards.

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15. Lost Receipts Must be Reported

In the event a receipt is lost, the purchaser must submit an affidavit of lost receipt in accordance to procedures. Financial Managers must monitor the frequency of lost receipts to determine if corrective action is necessary. Such review and action should be documented.

16. Financial Managers Accountable for Compliance and Expenditures

Financial Managers are responsible for ensuring:

- a) Internal procedures are established that identify purchase approval requirements, (including “controlled” items), and monitoring of expenditures,
- b) Required internal controls are in place and receiving approval from the CPO before substitute/compensating controls are implemented,
- c) Availability of funds prior to purchases being made, and
- d) All purchases comply with the requirements of this policy.