



METROPOLITAN
STATE UNIVERSITY
OF DENVER

Purchasing Manual

Objectives:

- 1. Purchasing Basics**
- 2. Purchasing Forms**

Objective #1: Purchasing Basics

PURCHASING PROCESS DEFINED:

ALL ACCOUNTS PAYABLE / PURCHASING DOCUMENTS AVAILABLE AT:
<https://msudenver.edu/controller/accountspayableaptravel/>

GLOSSARY OF TERMS

CODE OF ETHICS: Any person employed by the Metropolitan State University of Denver who purchases goods and/or services, or is involved in the purchasing process for the University, shall be bound by this code. Highlights:

- Avoid the intent and appearance of unethical or compromising practice in relationships, actions, and communications.
- Demonstrate loyalty to the Metropolitan State University of Denver by diligently following all lawful instructions while using professional judgment, reasonable care, and exercising only the authority granted.

COMMITMENT VOUCHERS: You may not purchase an item from a vendor without providing a commitment voucher. A commitment voucher tells the vendor that the University is definitely going to buy something from them and that we are obliged, by law, to pay for it. Commitment Vouchers include:

- Special Purchase Orders (SPO)
- Invoice and Certification for Personal Services (ICPS)
- Purchase Orders (PO)
- Contracts

PURCHASE REQUISITION (PR): A document used to request authorization to purchase goods or services over \$10,000 in value. The requisition form must be signed/approved by the person in the department that has signatory authority for their FOAPAL. A Purchase Order (PO) is issued when a Purchase Requisition is approved

ENCUMBRANCE: An amount reserved on the University's financial system to reflect a formal obligation of the University. Examples include Special Purchase Orders, Purchase Orders, and Contracts.

AURARIA HIGHER EDUCATION CENTER (AHEC): AHEC is a separate entity whose role is to provide and manage shared services, facilities, and property to support the three prominent institutions in achieving their goals.

AHEC PURCHASING DEPARTMENT: All purchases \$10,000.01 or more for restricted goods or services must go through the AHEC Purchasing Department.

SIGNATORY AUTHORIZATION: Individual MSU Denver departments designate who is authorized to approve purchases for their department.

- A Primary and Alternate Signatory are authorized to sign for the purchase of goods and/or services for the department, as long as the goods and/or services are within the department's budget and follow purchasing procedures.
- *Under no circumstances is anyone allowed to authorize his/her own paperwork, including reimbursements, travel requests, petty cash, etc.*
- The Accounting Services department is authorized to deny signatory authority to someone, if it feels the University's welfare may be compromised by granting it.
- The list of authorized signers is available at: <http://www.msudenver.edu/controller> Scroll to the Controller News & Updates section. The file is called "Signatory Authorization Log". This file is updated on the web quarterly.
- The form to make changes to your department's authorized signers is available at: <https://msudenver.edu/controller/accountspayableaptravel/>. The file is called "Signatory Authorization Form". Completed forms should be emailed to acctsvcs@msudenver.edu.

TAX EXEMPT STATUS: Metropolitan State University is a tax exempt institution. Please inform vendors of our tax-exempt status, and ask the vendor to honor our Tax Exempt Certificate before placing your order.

- There may be times when the University is not Tax Exempt. For more information on Taxable purchases, please see the Tax Corner at <https://msudenver.edu/controller/taxcorner/>
- A copy of the Tax Exempt Certificate is available at: <https://msudenver.edu/controller/taxcorner/> Select the Accounts Payable / Purchasing drop down menu. The file is called "MSU Denver - Tax Exempt Certificate".
- Note that sales tax will not be reimbursed to employees for out-of-pocket expenses.

STATE AWARDS: In many cases, the State of Colorado has negotiated contracts with vendors to provide certain goods or services for all state agencies. These contracts often provide better pricing and availability. Please check the State Award list prior to purchase. The list is updated periodically as awards change, and is available at <http://www.gssa.state.co.us/SPAgree>.

- For goods up to \$25,000, and services up to \$50,000, you may use any vendor of your choice.
- For goods over \$10,000, and services over \$50,000:
 - If you use a State Award vendor, the bid process does not apply.
 - If you do not use a State Award vendor, the goods or services must go out to bid.
- For furniture purchases, you **must** use Colorado Correctional Industries (CCI) or selected brands by Office Depot, Office Max or Staples, regardless of dollar amount. The only way to purchase furniture from a different vendor is to receive a waiver from AHEC

Purchasing *before* making the purchase. Any violation of this policy may subject the employee to personal liability for the purchase.

VENDOR AGREEMENTS: Frequently, vendors will ask a customer to sign some kind of agreement related to purchasing terms, credit references, and/or license agreements. ***YOU MAY NOT SIGN ANYTHING FROM A VENDOR UNLESS THE MSU Denver CONTRACTS MANAGER HAS APPROVED IT.*** You can attach an unsigned copy of the agreement to a purchase requisition for clarification of what is being purchased. However, if the vendor paperwork includes any terms or conditions of sale, they must be reviewed by the Contracts Manager. If a vendor insists that their paperwork be signed, forward the discussion to the Contracts Manager.

PERSONAL LIABILITY: Any employee who violates the purchasing rules may be subject by law to personal liability for the purchase amount. The State Controller's Office has sole authority to approve or deny payments by the State for such "illegal purchases."

PERSONAL SERVICES: Personal services include any work done by a person that is not simply incidental to the purchase of goods. Examples include performances, personal services contracts, and lectures by visiting speakers.

COST BASIS: The total cost is the cost over the fiscal year, NOT one individual purchase, and includes any charges for shipping/freight handling. The total cost determines which forms to use and what approvals are required.

FISCAL YEAR: A 12-month period of time to which the annual budget applies. MSU Denver's fiscal year runs from July 1st to June 30th.

OFFICIAL FUNCTIONS / TRAINING FUNCTIONS:

Official Function - A meeting, conference, meal, or other function involving food or beverages that is hosted by the chief executive officer, or representative, of the University, attended by guests, students and/or University employees, and held for official University business purposes.

Training Function - A meeting, conference, or other function which is hosted by the University, attended by customers of the University and/or University employees, and held to enhance staff knowledge or to educate customers of the University, that are affected by the University's operations or regulations. Training functions should have a written agenda, study materials, and be led by an identified presenter.

MSU Denver Fiscal Rule 2-7:

Official functions and training functions shall be held to achieve program objectives and shall be limited to reasonable and actual costs. The attendance of University employees at official functions shall be kept to a minimum and shall include only those individuals directly related to

the purpose of the function. Expenditures shall be kept to a minimum as they have the potential of being perceived to be for personal benefit and an abuse of public funds.

Official Functions include:

- *Community relation functions* - Events hosted by the University on behalf of external entities or activities directly related to the educational, research, or public service mission of the University.
- *Recruitment functions* - Actions to enlist new employees, faculty, etc.
- *Student functions* – Events hosted by MSU Denver that may be attended by students in addition to MSU Denver employees and/or associates and directly related to student or educational development, such as student recruitment or student program development.
- *Meetings of employees, students and official guests of the University.* The primary purpose of the meeting is to conduct MSU Denver business and the specific business purpose is stated on the check request.
- Training functions – held to enhance knowledge or educate the participants. Training functions have a written agenda, study materials, and are led by an identified presenter.

Authorized signers have the authority to determine what events are necessary for their department and additional approvals are not necessary. However, special consideration should be given to events that are not directly related to the conduct of MSU Denver business or accomplishments of program objectives, i.e. birthday and wedding celebrations. Each authorized signer is a steward of their funds and must be able to support the reasonableness of their purchases. Please remember all purchases are subject to open records requests and have the potential of being scrutinized by peers, external constituents and the news media.

This policy should not discourage employees or departments from taking up a collection and making unlimited private gifts to colleagues in appreciation for their services or in recognition of events of personal importance.

Alcoholic Beverages

The University does not authorize payment for alcoholic beverages, with the following exceptions:

- Presidential official functions
- Purchased for use in Hospitality, Tourism, and Events (HTE) courses, where the alcoholic beverage is part of the course curriculum.

Purchased through the MSU Denver Foundation, refer to the Foundation policy regarding the purchase of alcoholic beverages.

Prior to the event, complete the following steps:

- Be sure you have Commitment Voucher(s) in place for vendor(s) you will be paying as part of the function.

- A Corporate Card may be used for official function/training functions up to \$10,000.00.
- An SPO must be used when official functions/training functions are estimated to total between \$100.00 and \$10,000.00 from one vendor in any fiscal year, except if you are using a Corporate Card.
- A PO must be used when official functions/training functions are estimated to total \$10,000.01 or more from one vendor in any fiscal year.

After the event, submit the following documentation to Accounts Payable, either with your payment request or your Corporate Card statement:

- The business purpose must be clearly stated.
- Itemized receipts or itemized Vendor invoice(s).
- A roster of who attended the event.

GIFTS/GIFT CARDS:

If a department wishes to purchase a gift, regardless of its form, i.e. plaque vs. gift card, they are encouraged to contact the Accounts Payable Manager for guidance and advice. All gifts must have the department head's approval in advance, and if a gift exceeds \$50.00 in value then you must also get the Controller's approval.

Prior to making your Gift/Gift Card purchase, please see the Gift Card Policy and Procedures at <https://msudenver.edu/controller/policies/>

PERSONAL SERVICES:

Personal services include any work done by a person that is not simply incidental to the purchase of goods. Examples include performances, personal services contracts, and lectures by visiting speakers.

All personal services purchases MUST be reviewed by the Human Resources Department before documentation can be processed or work begins. Personal services purchases of \$10,000.00 or less will be reviewed by Human Resources AND Accounting Services. The purpose of this review is to correctly classify workers as either independent contractors or employees. Non-specific, recurring services are usually not considered to be a contractor relationship and should be sent through the payroll process. If the vendor is determined to be an employee, the department will be notified and appropriate direction given for proceeding. *Employees of MSU Denver may NOT be hired as an independent contractor in any manner in addition to their employment at MSU Denver.*

OTHER MSU DENVER RESTRICTIONS:

- Cell phones paid by the University must have VP approval and be processed through the Business Services' office. Please contact Accounting Services at 303-556-3030.
- Any computers, computer-related equipment, or software must be processed by the Information Technology department via FootPrints at <https://hd.msudenver.edu/>.

- All air travel can be processed through one of MSU Denver's approved travel agencies. Other restrictions apply to travel, such as rental cars and in-state hotels (specifics are covered in Travel Training, offered by Accounting Services <https://msudenver.edu/controller/training/>).
- All purchases must be for legitimate business purposes, for the benefit of MSU Denver, and follow MSU Denver's standards for allowable purchases. Please contact Accounting Services at 303-556-3030 with any questions.
- Purchases may not be split to avoid some part of the purchasing process. In other words, if you plan to buy 10 cameras for \$20,000, which would require competitive solicitation, you may NOT split the order into two purchases of 5 cameras for \$10,000 in order to avoid the BIDS process.
- Furniture, Office Supplies, and promotional supplies have a Mandatory Award. See the Controller's website for awarded vendors. <https://msudenver.edu/controller/accountspayableaptravel/>

Objective #2: Purchasing Forms

CORPORATE CARD: A MasterCard credit card, used for University related purchases, which include goods, services, travel, and event planning. The card may be used when ordering items by phone, over the internet, or in person.

- Corporate Card charges are limited to \$10,000.00 per vendor, per fiscal year, per fund/org combination. Corporate Card charges of \$10,000.01 or more require a Purchase Order issued by AHEC prior to making additional Corporate Card purchases with that vendor.
 - Awarded vendors do not have a dollar restriction.
- The card is issued in the name of an individual or department. Cards issued with an individual name are not to be shared with other. Departmental cards can be used by others, but must be tracked by the responsible agent using the Use Log. Please see the Corporate Card Handbook for more information. <https://msudenver.edu/controller/corporatecards/>
- Corporate Card transactions are reallocated by the department in CEO Portal (the online banking interface) to charge the correct FOAPAL in Banner. Transaction information is then fed from CEO Portal to Banner at the end of the billing cycle by Accounting Services. Encumbrances entered when reallocating will be liquidated in Banner, once the monthly cycle is fed into Banner.
- All transactions must be made within MSU Denver fiscal and procurement rules.
- *If using the Corporate Card to make an online purchase and the vendor requires any kind of terms or conditions to be accepted (frequently by clicking an "I accept" button), you may not make that purchase without consulting with the MSU Denver Contracts Manager first.*
- Other rules and regulations apply to Corporate Card usage. To learn more, please complete the online Corporate Card Training, available at: <https://msudenver.edu/controller/training/>

SPECIAL PURCHASE ORDER (SPO): Created within the department prior to an order being placed for purchases up to \$10,000.00 and provided to the vendor, thereby documenting the University's intent to purchase. The SPO:

- Creates an encumbrance in Banner on the FOAPAL combination to be charged;
- Allows the department to place restrictions on its use, such as when inspection of goods is required before payment, and where authorized personnel need to be specified;
- Allows an individual in the department to take it to a vendor, thus providing enhanced purchasing capability and flexibility.
- May NOT be used for payments to individuals. Such payments must use the State and MSU Denver's ICPS forms.

CHECK REQUEST: Check requests are used in a limited capacity to authorize payment for purchases not requiring a commitment voucher.

- ***A Check Request may be used:***
 - For any purchase from a vendor totaling less than \$100.00 *for the fiscal year*;
 - To reimburse an employee for purchases up to \$500.00 total, ***only if*** the employee can document that the purchase could not be made following the standard purchasing procedures **AND** attaches an **original receipt**. The purchase must be non-repetitive in nature and proof of payment must be included, i.e., if a receipt is not available, a credit card statement could be used. Sales tax will not be reimbursed.
- ***A Check Request may be used for any dollar amount for:***
 - Dues, memberships, and subscriptions.
 - Financial aid or tuition assistance programs (scholarships to students).
 - Postage, freight, or other delivery charges (e.g., messenger fees).
- ***A Check Request may be used to pay a vendor in amounts up to \$10,000.00 for:***
 - Books (hard copy or electronic media), audiotapes, and videotapes.
 - Reprints of articles from journals or other periodicals.
 - Page charges to publish articles in journals.
 - Tickets to allow admission to events such as theatrical plays.
 - Renting of space at exhibits (including set-up fees, furniture rental, and supplies to make this space operational).
 - Personal reimbursement if needed.

PURCHASES TOTALING \$10,000.01 OR MORE:

Dollar Threshold Requirements for Goods and Services

GOODS	\$0-10,000.00	\$10,000.01-25,000.00	\$25,000.01-150,000.00	\$150,000.01 and up
Process	<i>Delegated MSU Denver campus departments have purchasing authority.</i>	Processed at the discretion of the AHEC Purchasing Agent.	Competition is sought via the Documented Quotes Process.	Competition is sought either via the Invitation for Bids or Request for Proposals process. Vendors must respond with a Competitive Sealed Bid or a Competitive Sealed Proposal.
Requirements	<i>Any commitment voucher.</i>	PO or State Contract. Create Encumbrance.	PO or State Contract. Create Encumbrance.	PO or State Contract. Create Encumbrance.
SERVICES	\$0-10,000.00	\$10,000.01-25,000.00	\$25,000.01-150,000.00	\$150,000.01 and up
Process	<i>Delegated MSU Denver campus departments have purchasing authority.</i>	Processed at the discretion of the AHEC Purchasing Agent.	Competition is sought via the Documented Quote Process.	Competition is sought either via the Invitation for Bids or Request for Proposals process. Vendors must respond with a Competitive Sealed Bid or a Competitive Sealed Proposal.
Requirements	<i>Any commitment voucher.</i>	PO or State Contract. Create Encumbrance.	PO or State Contract. <i>Contract is required for services \$100,000.01 and up.</i> Create Encumbrance.	State Contract. Create Encumbrance.

PURCHASE REQUISITIONS/ORDERS:

All purchases \$10,000.01 or more will be handled by AHEC Purchasing. These purchases may require a Documented Quote, an Invitation for Bid (IFB), or a Request for Proposal (RFP) to be published on the BIDS system by AHEC Purchasing. The authority for obtaining quotes, bids, and proposals lies with AHEC Purchasing, not the department.

- An Invitation for Bid is used when specifications are clear and concise
- A Request for Proposal is used when the specifications are unclear, complicated, and it may be important to weigh other factors as well as price.

The department requiring the goods or services must complete a Purchase Requisition with appropriate authorization signatures (including Personal Services review), then forward the Purchase Requisition and all backup information to AHEC Purchasing.

- ***Please note that the Purchase Requisition is NOT a purchase commitment voucher. It may not be given to a vendor for any reason. The purchase may NOT be made until a Purchase Order is issued by AHEC Purchasing.***

AHEC Purchasing will arrange the order, as well as shipping and receiving of goods.

- Documented Quotes must be posted on BIDS at least 3 days.
- Invitation for Bids must be posted on BIDS for 14 days, and at least another 15 working days should be allowed for the selection process.
- Request for Proposals must be posted a minimum of 30 days, and at least another 30 working days should be allowed for the selection process.
- Due to the complex nature of formal solicitations, a significant amount of time should be allowed for preparation of the request (1 to 3 months). After bids are opened and a purchase order is issued you will also need to allow for vendor delivery time.
- When an item is out for bid the department and solicited vendor may not communicate in any manner - all questions are to be handled by AHEC Purchasing. Any deviation from this procedure could render the bid null and void, in which case the bid will be canceled and a period of 6 to 8 weeks must lapse before another requisition can be processed. This procedure is to protect all parties involved against collusion, bid rigging, or other violations, which are punishable under law.

OPEN PURCHASE ORDERS: If your department intends to repeat purchases for similar goods throughout the fiscal year, you may use an Open Purchase Order (OPO). An OPO is a Purchase Order with an effective date, an expiration date, and specific dollar limits, which allows you to purchase directly from a vendor. There is no competitive solicitation or dollar limit for **goods** purchased on an OPO from a vendor that has been issued a State Price Award. **Services** from a State Award vendor may be purchased with an OPO up to \$100,000.

CONTRACTS: Contracts are required for purchase of services over \$100,000 or purchase of goods, if it includes services that exceed \$100,000 of the total purchase price. They may also be used in other circumstances when not specifically required, such as complicated or technical projects in which MSU Denver may be at greater risk. Contracts contain detailed terms and

conditions to protect the University's and the State's interests. Because of the increased risk involved, they may **only** be processed by MSU Denver's Contracts Manager and may **only** be signed by the University's President or his/her authorized representative.