Appendix KK

MSUN Policy 840.16

MONTANA STATE UNIVERSITY NORTHERN

840.16 Agency Requisitions & Purchase Orders

Section 800: Financial Affairs

Effective: July 1, 1995
Revised: March 2013
Review Date: March 2015
Responsible Party: Director of Business Services

Policy:

To provide economy, consistency and compliance with State Regulations in purchasing, Montana State University-Northern acquisitions will be subject to the following procedures. These procedures specify dollar limits, approvals, and documentation. To avoid delays these procedures must be followed.

This Policy Does Not Cover Items Available for Purchase from Central Stores, Items under Term Contract, Requisition Time Schedule, or Printing Services.

Procedures:

Authorization. Advance approval is necessary for all purchases regardless of amount. Levels of approval and documentation vary by dollar value of the purchase and account. Special authorizations are required for the purchase of computer equipment. Payment can not be made without proper authorization.

Procurement Card. MSU-Northern uses a Purchasing Card program which delegates authority to purchase non-restricted items without a purchase order. Contact Business Services for more information.

Restricted Items. Items available from Central Stores, under Term Contract, or Requisition Time Schedule must be ordered from specified sources at the time specified by the State Purchasing Division. Contact Business Services for instructions on accessing these on-line resources.

Purchase Orders. Agency Purchase Orders must be obtained in advance for all charges to MSU-Northern accounts. Personnel not obtaining the purchase order may be personally responsible for paying the vendor. No purchase orders will be issued for items already received. See also exigency purchases.

A "Request to Purchase" form accurately completed must be turned in to Business Services. These requests should be submitted five (5) days in advance for purchase orders under $5000.00 to allow Business Services time to check funding sources, approvals, clarity of specifications, possible additional vendors, and to prepare the purchase order. Requests not received in advance will be handled as clerical time is available.

Personnel should review available sources to determine which vendor provides the item(s) required at the best price. This vendor should be specified on the "Request to Purchase" along with the item(s) description and price.

Purchases Under $5000.00. Business Services staff will prepare an Agency Purchase Order for the vendor specified on the Request to Purchase. Personnel will then give the vendor the original Agency Purchase Order. The vendor should include this number on the billing invoice. Invoices with no Purchase Order may be delayed in processing. All invoices must be forwarded to Business Services for payment processing. Similar purchases from the same vendor whose cumulative costs exceed $5000.00 must follow the requirements imposed by the procedures for the cumulative dollar limit. Personnel may not attempt to circumvent procedures by splitting purchases among vendors.

Purchases From $5000.00 to $25,000.00. Send a "Request to Purchase" and a minimum of three written or telephone bids to Business Services. Bid sheets must have the following information completed:

- Name of Vendor bidding
- Name of person talked to
- Specifications of item bid, including manufacturer and model number, dimensions, and any other pertinent specifications. This information must be written and must have been read to every vendor.
- Prices quoted and how long they will hold this price.
- Terms of payment.
- Delivery procedure including whether we pay freight or they pay freight. If we pay freight an estimate of shipping costs.

- Date of conversation.
- Name of person making the phone call.

Orders with incomplete information will be returned.

Upon determination by Business Services of the low bidder, an Agency Purchase Order will be sent to the vendor unless otherwise specified.

If low bid exceeds $25,000.00, written bids are required. Request to Purchase must be submitted to MSU-Bozeman in these cases.