

SUBJECT: Purchasing
Number: 603
Issued by: Vice Chancellor for Finance
Date: January 1, 2004

This policy is in accordance with USC Policy Business and Finance 7.00, the full text of which is available at: <http://www.sc.edu/policies/busf700.html>

Purpose of the USC Purchasing Department:

The Purchasing Department has the sole authority and responsibility to initiate all purchasing transactions on behalf of the University of South Carolina Beaufort and to ensure strict compliance with the provisions of USC Beaufort and USC Columbia purchasing policies and procedures and the State of South Carolina Consolidated Procurement Code. This responsibility must never be assumed by other departments or individuals as such action may be considered an unauthorized purchase and the University not liable for payment of such purchases. No expenditure or commitment (to include charges) of funds is authorized for any individual at USCB unless prior authorization is received from appropriate personnel. Individuals who make unauthorized purchases incur a personal liability and reimbursement will not be made by USCB. The normal way to obtain materials, supplies, equipment, rentals, services, advertisements, etc. is by the purchase order system, and the key to successful utilization of the system is prior planning, including ensuring that reasonable lead time is given for ultimate receipt of goods. All bids, quotations, purchase order copies and related correspondence are considered confidential and should not be revealed to outside parties.

1. Requisitioning Procedure:

A. Preparation of Request for Purchase:

When a need for supplies, equipment, rental or contractual services has been determined, departments should prepare a Purchase Requisition (PR), giving complete description and catalog numbers of items and date on which they are required. Any item ordered on approval should be so marked in the body of the request. Requests should normally be placed at least fifteen days in advance of the date on which items are required. On out-of-town and out-of-state purchases, at least thirty days advance notice is advisable to assure delivery on item. For some equipment and furniture, at least three months delivery time should be anticipated.

B. Selection of Items and Source of Supply:

The requesting department is responsible for furnishing complete specifications, catalog number, price, additional quotes as required or sole source justification as required; and suggested source of supply. The source of price must be furnished i.e., catalog price, telephone quote or written quotation. Give date of catalog, full name of person quoting, and/or original copy of quotation.

The USC Purchasing Department is responsible for choosing the vendor on a competitive basis following as closely as possible the specifications furnished by the requesting department, utilizing State Contracts when applicable, and ensuring strict compliance with the State Consolidated Procurement Code. The USC Columbia Purchasing Department and Central State Purchasing for the final selection of procurement and issuance of purchase orders. A copy of the purchase order will be filed for future reference. Any inquires concerning the transaction must refer to the purchase order number.

Purchasing Requirements:

The requirements for competitive procurements are as follows:

Up to \$1500.00 Requires statement that price is fair and reasonable

\$1501.01 - \$5000.00 Requires a minimum of three (3) documented telephone quotations

\$5000.01 - \$10000.00 requires a minimum of three (3) written quotations.

\$10000.01 - \$25000.00 requires 10 bidders and SCBO advertisement

\$25,000.00 and up requires formal sealed bid

C. Authorization:

The Purchase Requisition should be signed by the initiator, approved by the Department Head and the Chancellor or their designee. Such approval should be obtained prior to submittal to avoid delay. The Department Head should certify that funds are available before procurement action is taken.

D. Emergency Requisitions:

Emergency purchases will be authorized only when bona fide emergencies exist. While it is difficult to define precisely what constitutes a genuine emergency, generally a situation would have to exist involving a life, death, or health situation or in which savings to be realized by normal proceedings would offset by corresponding or greater losses to the campus as a result of the delay. Failure to anticipate a need is not, of itself, to be considered an emergency. The Department should prepare a request for purchase citing the nature of the emergency so a purchase order can be obtained.

E. Blanket Orders:

Blanket orders for supplies or commodities may be initiated by a Department when numerous small purchases of a like nature are to be made locally or on a repetitive basis from the same vendor and that vendor does not accept the Purchasing Visa Card or if students will be picking up the supplies. Blanket orders are restricted to small purchases which are impractical and/or inappropriate for regular purchase orders, actual emergencies, and extremely short-fused items which border on emergencies that do not result from poor or no prior planning. In any event, blanket orders for the purchase of supplies or commodities from a single vendor will be limited to \$6,000.00 for the fiscal year with individual purchases not to exceed \$500.00 from that vendor in any 24-hour period. Abuse of this privilege will result in the blanket order being cancelled and no new blanket order issued. Contractual services and maintenance agreements on an annual basis, with the total amount encumbered for the fiscal year, may also be set up on a blanket order and may exceed the \$6,000.00 annual limit.

F. Purchasing Card

The USC Purchasing card has been designed to decrease the amount of paper work for departments. The card works just like your personal credit card, except all charges are paid in full by the University. It is to be used only for the purchase of supplies. University of South Carolina spending parameters for each purchasing card issued are set at \$1,500.00 per transaction with a maximum of \$5,000.00 per month per card. The State of South Carolina and the University of South of South Carolina require that certain types of vendors be blocked from Purchasing Card use. These transactions will be blocked at the point-of-sale level.

G. Petty Cash:

Petty cash may be used if approved in advance for purchases under \$50 and if funds are available. USC Beaufort maintains a very small Petty Cash fund that is used only when the vendor does not accept the Purchasing Visa Card and there is no blanket order in place. Reimbursement will be made from petty cash at the Business Office upon receipt and return of excess funds.

H. Request for Personal Purchases:

University policy prohibits purchase for personal use.

I. Goods Ordered and Obtained on Approval or Review:

Individuals should not write, order, or accept equipment, goods (including film) on an approval or review basis unless an approved Purchase Requisition (PR) has been submitted. This could result in a violation of Purchasing Policies and Procedures and cause overdue bills that reflect unfavorably on USCB. Under no circumstances should departments or individuals accept copier or printer toner solicitations.

J. Unauthorized Purchases:

Only the USC Purchasing Department personnel are authorized to procure goods and services for the University system. The only exception to this is a Petty Cash, Credit Card, Blanket Order or approved Revolving Fund purchase. Any other purchase is considered an unauthorized procurement. These unauthorized procurements may become the personal responsibility of the person making the transaction. The only other "cure", per the South Carolina Procurement code, is to request the President of the University to approve the unauthorized procurement. This must be done in writing, through the Vice Chancellor for Finance, the Chancellor and then through the Office of the Vice President for Business and Finance who will take the matter up with the President. If disapproved, the obligation will become the personal responsibility of the person who made the unauthorized procurement. Plan ahead and submit the appropriate paperwork.

K. Contracts and/or Agreements:

In general, all contracts and/or agreements must be signed by the University System President or Secretary of the Board of Trustee (in Columbia). The President has delegated to the USCB Chancellor the authority to sign contracts in amounts up to \$25,000.00 with the exception of sponsored research grants, contracts and personnel agreements. Procedurally, USC Beaufort contracts/agreements should be routed to the Chancellor's office.

3. Use of Direct Expenditure Vouchers:

A. Policy:

The Direct Expenditure Voucher (DEV) is designed for handling and authorizing nominal payments for dues, subscriptions, membership fees, freight charges, and miscellaneous contractual services that would be impractical on a purchase order. The DEV is not to be used for payment of invoices for equipment or supply purchases; for payment of personal services, or repairs, nor is it to be used for processing after the fact procurements.

B. Procedure:

A Purchase Requisition (PR) should be submitted to the Purchasing Department and should include a description of the charge, appropriate invoices, applications and approval of the Department Head. Memberships and subscriptions must be made out to USC Beaufort. They may include the organizational title of the incumbent, but in no circumstances can the membership or subscription give any appearance of being personal or made to an individual.