

# Internal Governing Policies

## #108 - Purchasing

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**Approved:** January 10, 1996

**Nomenclature changes:** December 22, 2006

**Monitor:** Vice President for Business Affairs

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### General

All purchases of services, materials and supplies shall be made by or at the direction of the Purchasing Office, regardless of source of funds, in accordance with University policies and procedures, [Board Regulations](#) and the [Illinois Procurement Code](#).

The University assumes no responsibility for purchases, charges, or contractual arrangements which have not been made in accordance with these policies and procedures.

Account managers are responsible for ensuring that sufficient funds exist within the account prior to approving a purchase.

All purchasing requests must be signed by the account manager of the account to be charged.

No state or federal tax shall be paid on any purchase.

Requisitions or departmental purchase orders for professional or artistic services, such as speakers, performers, judges, officials, *etc.*, must be accompanied by a Professional/Artistic Contract form.

Purchases shall not be made from a University employee, the spouse or immediate family member of a University employee, or a business owned by a University employee, spouse or immediate family member. An immediate family member is defined as parents or children of the owner, including the owner's spouse's parents or children.

Purchase of the following items shall not be permitted without prior approval (see specific policy relating to each):

1. [Flowers for sick or deceased persons](#)

2. [Gifts](#)
3. [Alcoholic beverages](#)
4. [Food and beverages](#)
5. [Computer equipment and software, and audio-visual equipment](#)
6. [Stationery and envelopes](#)
7. [Motor vehicles](#)

## **Purchasing Methods**

Purchases may be made in one of the following four ways:

1. Cash Purchases

Items costing \$200 or less may be purchased by cash.

Reimbursement requests for cash purchases shall be documented by submitting an approved [Request for Payment](#) with the original paid receipt attached.

2. Departmental Purchase Orders (DPOs)

Account managers may use Departmental Purchase Orders for purchases which do not exceed \$500 for the contractual services, commodities, operation of automotive equipment and equipment line items from appropriated or non-appropriated funds, subject to the following requirements:

- a. The total cost of all items on a single order shall not exceed \$500, excluding delivery charges.

- b. "Stringing," or issuing a series of related orders to stay within the \$500 limit, is not permitted.

- c. Departmental Purchase Orders shall not be used for the following:

1. Personal services, including student help
2. Blanket orders
3. Maintenance agreements
4. Office machine repair
5. Telephone service requests
6. Lease or rental of physical facilities
7. Rental of motor vehicles

8. Items where special purchasing procedures have been established including, but not limited to, the following:

- a. Library books and periodicals
- b. Textbooks
- c. Purchase of re-sale items
- d. Residence hall food purchases
- e. Computer equipment and software, and audio-visual equipment

A Departmental Purchase Order form must be completed for each purchase, in accordance with instructions provided in the University Processes Guide. The Purchasing Office will encumber the amount of the departmental purchase order as soon as a copy is received.

Vendor invoices are to be sent directly to the Purchasing Office. A copy of the vendor's invoice shall be sent to the ordering department, indicating that payment will be made within eight calendar days unless notification is received from the account manager that the invoice should not be paid. The account manager shall indicate the reason for not paying the invoice.

3. Requests for Payment (RFPs)

The [Request for Payment form](#) may be used for prepaid registration fees, subscriptions, *etc.*, when payment must accompany an order. A Request for Payment with the subscription card, registration form or notice verifying the price shall be attached and submitted to the Business Office for payment.

4. Purchases by Requisition

Requisitions are required for all purchases except for the following:

- A. Cash purchases of \$200 or less.
- B. Departmental Purchase Order purchases amounting to \$500 or less.
- C. Requests for prepaid items such as subscriptions, registration fees, *etc.*
- D. Campus purchases, such as Central Stores, University Union Bookstore, Audio-Visual Services, Motor Pool, Duplicating, and Eastern News ads, for which specific forms are used.

Requisitions shall be prepared and submitted in accordance with procedures outlined in the University Processes Guide.

The Purchasing Office shall prepare a purchase order and send a copy of the order to the account manager. After the invoice is received and all goods and/or services are received, the Purchasing Office will send the Request for Payment copy to the account manager for payment approval.

Purchases of \$25,000 or more require advertisement in a State-designated newspaper and sealed bids.

## **Administrative Approvals Required**

The following administrative approvals shall be required for purchases at the dollar levels indicated:

Less than \$10,000	Approval of Account Manager, Dean or Director
\$10,000 or more	Approval of Vice President
\$50,000 or more	Approval of President
\$100,000 or more	Approval of Board of Trustees

Purchasing approval authority may be delegated if approved in writing by the immediate supervisor of the delegating officer.

## **Purchasing Violations**

Violations of purchasing policies and procedures, regardless of the source of funds, shall result in the following:

### **1. First Violation**

The Director of Purchasing shall notify the account manager by memo that a purchasing policy or procedure has not been followed. The account manager shall be informed of the correct procedure to follow in the future and of the consequences of subsequent violations.

### **2. Second Violation**

The Director of Purchasing shall return the Request for Payment or Departmental Purchase Order form to the account manager with a reminder of the prior violation. A copy of the memorandum shall be sent to the appropriate Dean or Director.

The supervising Dean or Director shall counsel the individual account manager regarding the need to follow University purchasing policies and shall forward the Request for Payment or Departmental Purchase Order form to the Director of Purchasing with a recommendation to pay or notify the Director of Purchasing that payment should not be made by the University.

### 3. Third Violation

The Director of Purchasing shall return the Request for Payment or Departmental Purchase Order form to the account manager with a reminder of prior violations. A copy of the memorandum shall be sent to the appropriate Dean or Director and the appropriate Vice President.

The appropriate Vice President and the Vice President of Business Affairs shall discuss the violation and determine appropriate action to be taken including, but not limited to, the following:

- A. Approval of the invoice for payment with a written reprimand to the individual involved.
- B. Removal of the individual's account manager authority.
- C. Requirement that the individual personally pay the invoice in question.

The appropriate Vice President shall notify the Director of Purchasing and the account manager of the disposition of the matter.