

Purchasing Procedures

Revised September 2011



ROCKY
MOUNTAIN
COLLEGE

The following procedures apply to all purchases made by employees of Rocky Mountain College (RMC).

Authorization for purchases

All purchases require preapproval. Any faculty or staff member may initiate the purchase of supplies, equipment or services. In every case, the purchase must be authorized by a Vice President or the Associate Academic Vice President. Acquisitions initiated by a Vice President or the President must be authorized by the President or the Board Chair, respectively.

In general, faculty and staff are not authorized to bind the College by signing contracts. Ongoing exceptions in certain cases, such as the Grants Officer or the Athletic Director, must be authorized in advance.

General requirements for all requests to spend College money

Two signatures are always required before the request is submitted. One required signature is from a Vice President or the Associate Academic Vice President. The other required signature is from the maker of the expenditure request.

In some cases, a third signature may be required, that of the project supervisor.

Requisitions \$5,000 and above must be approved by the Chief Financial Officer, after receipt in the Business Office/Finance Department, or after online approvals are completed.

Your budget must have adequate funds available; verify this before sending any expenditure request to the Business Office/Finance Department.

Details of expenditure request preparation

- Describe your expenditure in enough detail that we can verify your choice of account number.
- A complete 10-digit account number for each project to be charged must be present on the expenditure request.

Requirements by Spending Level

These spending levels refer to the total amount on the purchase order, not individual items on a single purchase order.

\$0 - \$99.99

Direct purchases using personal funds or personal credit cards are discouraged. Purchases may be made for modestly priced items available either online or from a local source using a purchase order, RMC credit card, or petty cash.

\$100 - \$999.99	Purchase order is required, but no bids are needed.
\$1,000 - \$4,999.99	Obtain three (3) bids before completing a requisition for the selected vendor. Attach the Bid Summary Form listing the vendors and prices to the requisition; include reasons for selecting a price other than the lowest (see considerations below). This information will be entered in CampusVue Finance when the requisition is entered.
\$5,000 and above	Obtain three written bids, and attach them, with a completed Bid Summary Form, to the requisition for the selected vendor; include reasons for selecting a price other than the lowest.

Considerations for accepting a bid:

When collecting bids from vendors, it is important to conduct a fair and ethical process.

- All vendors must be provided with the same information and deadlines to avoid any advantages to any vendor.
- No information on the bids submitted (especially price) may be disclosed to the other competing vendors except for the name of the company.
- Vendors should not be coached on the amount to bid.
- A single vendor may not resubmit a bid. A request for resubmitted bids must include all vendors.

A bid other than the lowest of three comparable bids may be accepted in any of these cases:

- The lowest bid was for items or service functionally inferior to the vendor chosen at a higher price. Three bids for equivalent items could not be found.
- An item available locally from an active supporter of the College costs only slightly more than the lowest bid.
- Three bids cannot be found locally, when local acquisition is a significant factor. In this case, list the names of vendors contacted who could not provide the desired goods or services.

If your purchase requiring bids is being entered as a requisition in the CampusVue Finance system, please include the following information for the bid screen: Vendor Name, Bid Send Date, Bid Received Date, Bid Amount, Comments, Award Reason. For purchases of \$5, 000 or more, please forward copies of the bids to the Business Office.

Requisitions (paper) and Requisitions (in the system)

A purchase order is required for all College expenditures (see exceptions below). Be sure to obtain an approved purchase order number in advance of ordering goods or services. The College is advising our vendors that we will not pay invoices without an approved purchase order.

Requisitions entered into CampusVue Finance will result in purchase orders after going through the approvals specified in the system.

All requisitions for **computers, peripheral equipment, and software** must also be approved by the Director of Academic computing, as well as your VP or AAVP.

If you use initials for a vendor name, please show the full name also, unless the initials are the only name. Please also show the vendor's full address. Unless otherwise indicated, a vendor invoice is paid 30 days after the invoice date.

Purchase orders are also required for **food or services contracted through Sodexo** (the food vendor in the Student Center). Rocky receives bills from and makes payments to Sodexo weekly. Approved purchase orders allow us to match the authorization to the expense and process payments to Sodexo timely. Be sure to include a brief description and the date of the event on your Sodexo requisition/purchase order.

Running purchase order: For items purchased from the same vendor throughout the year, a running purchase order may be used in place of individual purchase orders each time this type of purchase occurs. Running purchase orders may not exceed the budget dollars available for the specific type of expense.

Items for resale: If you are purchasing food or supplies that will then be resold to fans, guests or participants, please use the appropriate resale account number, 7402 for supplies, 7406 for food.

Deadline: If the vendor needs to be paid upon delivery of the goods or services, submit the completed check request or travel advance request to the Business Office by **noon on Wednesday**. Checks are generally available that Friday after 2:00 pm.

Vendors should be directed to send **invoices** directly to the Business Office, not to the department ordering the goods and services. The purchase order number should be included on the invoice. Invoices received in the Business Office without a purchase order number will be returned to the vendor unpaid.

Exceptions to the Purchase Order Requirement

Check Request (blue half-page form)

Filling out a check request form is the best choice for situations where we will not receive an invoice for the vendor to trigger payment. Examples include subscriptions, memberships, conference registrations, prizes and awards. Attach documentation that verifies the amount to be paid to the check request form.

Payment for services from an individual may be requested on a check request form. Be sure to attach the W-9, a copy of the contract or agreement with the vendor and the signed Independent

Contractors agreement (available on the Business Office web page). See Payment for Personal Services below.

Travel Advance

Faculty and staff traveling on RMC business may request a travel advance to receive funds for meals, rental vehicles, and incidental expenses. Hotel and commercial means of travel should be arranged in advance through purchase orders. Money received through a travel advance must be accounted for in an expense report. The travel advance form is available on the Business Office web page.

If you have an RMC MasterCard, you may request a small travel advance to cover items that cannot be paid for by credit card while you are traveling.

Expense Reports

Expense reports are used to report travel expenses, use of RMC credit cards, or other modest usage of personal cash or credit cards, such as supplies purchased locally for an event when the vendor doesn't take purchase orders, or where you will be shopping is unknown in advance.

Manually prepared expense reports should be submitted preferably by Monday of the next week, or within 10 days of return from the trip. RMC MasterCard expenditures, reported from the bank's Master Card Smart Data On-Line (smartdata.gen2) System, with proper authorizations and receipts attached, are due the 8th of the following month. Effective in September, 2011, all expense reimbursements paid with personal credit cards or cash will be reimbursed at the end of the month if submitted by the 20th of that month, or the end of the following month if submitted after the 20th.

Before incurring expenditures which you expect to charge to a RMC credit card, or to have reimbursed through an expense report, get pre-approval from your VP or AAVP. Failure to obtain pre-approval may result as treatment of taxable income to the individual.

Expense reports must include the following:

- Original receipts attached. The receipt or printout must detail both the items paid for and the cost, and show the vendor's name and address.
- An explanation of the business purpose - who, what, when, where and why.

Improperly completed expense reports may be returned to you, slowing the reimbursement process.

Payment for Personal Services

Requests for payments to individuals for personal services (processed through invoices with purchase order numbers or check requests) will most likely require a Form W-9, if the vendor qualifies as an independent contractor. The W-9 form provides the College with social security numbers for federal tax reporting purposes. If you are unsure about the necessity of obtaining a Form W-9, call Vicki Montgomery in the Business Office, Extension 1013. Please also attach

the agreement for services or other documentation of the amount to be paid, and independent contractor form, if needed.

Employees should never pay for personal services with a credit card or personal check or cash.

To determine whether the vendor qualifies as an independent contractor, call Cindy Hessler, the Human Resources Director, at Extension 1043. Individuals who don't qualify as an independent contractor may have to be set up as temporary employees.

Unincorporated small businesses must also complete a W-9 form and are also independent contractors.

Requirements for Independent Contractors:

- An independent contractor must provide, before beginning work on campus, a currently valid independent contractor exemption certificate issued by the State of Montana, **or** a certificate of workers compensation insurance on himself.
- If there is any conceivable risk of injury, the independent contractor must provide a certificate of liability insurance, with RMC named as an additional insured party.

Human Resource Action Requests (HRAR)

Any time RMC employees are paid for services beyond the scope of their employment agreements, receive nonstandard benefits that have monetary value, or do not qualify as an independent contractor, an HRAR must be filed with Human Resources.

Awards, Prizes and Bonuses

Any form of cash, gift certificate or gift card exceeding \$25 per year is reportable income. Please have a student recipient fill out a W-9 form. These payments can be requested on a blue check request form.

Please prepare an HRAR for a faculty or staff member who is receiving an award or prize.

FAQ's

Questions regarding this policy should be directed to Becky Berge, extension 1017 or Vicki Montgomery, extension 1013.