



Purchasing Procedures – Revised August 2021

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.

Only the President and Vice Presidents are 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.

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 - \$2,999.99 A direct purchase using personal funds or College credit card may be made for modestly priced items available either online or from a local source. File an expense report for reimbursement.

\$3,000 - \$9,999.99 Purchase order is required, but no bids are needed.

\$10,000 - \$24,999.99 Obtain three (3) bids before completing a purchase order for the selected vendor. Attach the Bid Summary Form listing the vendors and prices to the requisition (or send to the Business Office); include reasons for selecting a price other than the lowest (see considerations below).

\$25,000 and above Obtain three (3) 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. Send Bid Summary Form to the Business Office

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 \$10,000 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 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 Provost. It is to be purchased through Academic computing.

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 required for ***food or services contracted through Sodexo*** (the food vendor in the Student Center). Rocky receives bills from Sodexo and makes payments weekly. Approved purchase

orders allow us to match the authorization to the expense and process payments to Sodexo. Be sure to include a brief description and the date of the event on your Sodexo purchase order.

Running purchase order: For items purchased from the same vendor throughout the year, a running purchase order may be submitted 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 or to the accounts payable email (accounts.payable@rocky.ed), not to the other 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 from the vendor to trigger payment. Examples include subscriptions, memberships, conference registrations, prizes and awards (refer to the Prizes and Awards Policy for additional instruction). 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 and a copy of the contract or agreement with the vendor and the signed Independent Contractors agreement & appendix A (available on the Business Office web page). See Payment for Personal Services below.

Travel Advance

Faculty and staff traveling on College 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 is available on the Business Office web page. It should be provided to the Business Office with 10 days notice by Wednesday at noon before the advance is needed. For additional policies regarding travel refer to the Travel Policy

If you have a Rocky Mountain College Master Card, you may request a small travel advance to cover items that cannot be paid for by credit card while you are traveling. The funds must be **RETURNED** to the business office **WITHIN 10** days of returning from the event.

Expense Reports

Expense reports are used to report travel expenses, use of College 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 Master Card expenditures, reported from the bank's Master Card Smart Data On-Line System, with proper authorizations and receipts attached, are due the following month. Effective in September, 2011, all expense reimbursements paid with personal credit cards or cash will be reimbursed on the 1st work day of the following month if submitted by the 20th of current month. If it is submitted after the 20th it will be reimbursed on the 1st working day of the next following month. (ex: submit to business office 3/26/xx reimburse on 5/first work day/xx)

Before incurring expenditures which you expect to charge to a College credit card, or to have reimbursed through an expense report, get pre-approval from your VP or Provost. 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.
- If the receipt is **over 60 days old** we are **unable to reimburse**

Improperly completed expense reports may be returned to you, slowing the reimbursement process, or resulting in taxable income.

Payment for Personal Services

Any payments for personal services (processed through invoices with purchase order numbers or check requests) will require a Form W-9. If the vendor qualifies as an independent contractor, the W-9 provides the College with necessary EIN or social security numbers for federal tax reporting purposes. If you have questions, call Accounts Payable in the Business Office, extension 1013. Payments for services to an independent contractor will also require an Independent Contractor form and Appendix A before beginning work on campus. 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 and either proof of workers compensation or a currently valid Independent Contractor Exemption Certificate.

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

To determine whether the vendor qualifies as an independent contractor, call the Human Resources Director at extension 1043 or Accounts Payable at extension 1013. Individuals who don't qualify as an independent contractor may have to be set up as temporary employees.

Human Resource Action Requests (HRAR)

Any time College 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

Due to the complex rules and tax laws surrounding awards and prizes, please refer to the Gifts and Awards Policy. Questions regarding this policy should be directed to the Controller at extension 1017 or Accounts Payable at extension 1013.