10.000 GENERAL PURCHASING INFORMATION
With passage of the Higher Education Efficiency Act (1995), the Oregon University System (OUS) was granted exemption from State purchasing rules. OUS has developed three sets of purchasing rules, one governing the acquisition of capital improvements (construction) and a second for Screening and Selection of Contractors (580-40-100), and a third (580-040-0200...0295) for buying materials and trade services. This section deals with only the third; the Facilities department has exclusive responsibility for construction contracting. A separate section (4.0) explains how to contract for personal or professional services.

The purchasing activities at PSU have been largely decentralized, meaning most purchases, except those over an expressed dollar limit, are delegated to a department. Most common purchases up to $50,000 are expressly delegated to PSU departments. Using OUS's rules as a framework, this section of the Guide establishes PSU purchasing policy and explains departmental purchasing authority, departmental ordering processes, procurement cards, and certain purchases needing special treatment.

10.010 ETHICS/CONFLICT OF INTEREST - Applies to Faculty and Staff

The following Code of Ethics is a guideline for PSU employees to follow in contracting and purchasing situations:

- Give first consideration to the objectives and policies of OUS and PSU.
- Strive to obtain the maximum value for expenditures.
- Grant all competitive suppliers equal treatment insofar as state and federal statutes and PSU policies permit.
- Conduct business with suppliers in an atmosphere of good faith, devoid of intentional misrepresentation.
- Demand honesty from sales representatives whether offered through oral or written statements, advertisements, or product sample.
- Encourage all segments of society to participate by demonstrating support for emerging small, disadvantaged, and minority-owned and women-owned business, and Qualified Rehabilitation Facilities.
- Consistent with the provisions of ORS 244, decline personal gifts or gratuities from any current or potential supplier of goods and services to PSU.
- Refrain from knowingly engaging in any outside matters of financial interest incompatible with the impartial, objective, and effective performance of duties. Activities that may create a conflict of interest must be addressed in accordance with the procedures outlined in OUS's Internal Management Directives.
- Receive written consent of originator of proprietary ideas and designs before using them for competitive purchasing purposes.

The Code is for use only by PSU and OUS and creates no enforceable obligations for contractors, bidders, or other parties doing business with PSU; nor may it be used by contractors, proposers, bidders, or other parties doing business with PSU who are challenging actions taken by PSU, its officers, employees, or agents. Violations of this policy could result in administrative disciplinary sanctions in accordance with Personnel Rules and collective bargaining agreements.

10.015 PSU's AUTHORITY TO PURCHASE
OUS has granted PSU authority to purchase, following OUS's rule 580-040-0200. In turn, the Vice President for Finance and Administration, through Business Affairs, has delegated authority to purchase to departmental units, following the competitive procedures specified in this rule.

10.016 GENERAL AND SPECIFIC EXEMPTIONS

1. UNLIMITED PURCHASE AMOUNT - In this category of purchases, departments need not follow, regardless of dollar amount, or frequency of purchase, the requirements of following competitive procedures for the types of purchases listed below:
   a. Contracts for the provision of educational services.
   b. Single seller of goods and services. When purchasing from a single seller, departments shall
document findings to support the determination that the product/service is available from only one seller.

c. **Brand name goods and services or product** pre-qualification. Departments may specify brand name in the procurement of goods and services if that particular product or service has specific documented attributes not found in other products. In addition, when specific design or performance specifications must be met for a product to be purchased, a department may specify a list of qualified products by reference to the pre-qualified product(s) of particular manufactures or seller.

d. **Price agreement items** under contracts issued by the State of Oregon or other public entity. These contracts are not mandatory in use.

e. **Advertising** and media services contracts.

f. **Price-regulated** goods and services. Departments may, regardless of dollar value, contract for the direct purchase of goods or services where the rate or price for the goods or services is established by federal, state, or local regulatory authority.

g. Purchases under **federal contracts**. When the price of goods or services has been established by a contract with an agency of the federal government pursuant to a federal contract award, PSU departments may purchase the goods or services in accordance with the federal contract without subsequent competitive bidding. In addition, specific equipment that is expressly required under the terms of the contract and that is only available from one source is exempt from competitive procedures.

h. **Copyrighted materials**. Departments may purchase copyrighted materials without competitive bid and regardless of dollar amount. Copyrighted materials covered by this exemption may include, but are not limited to, textbooks, workbooks, curriculum kits, reference materials, and audio, video, and electronic media.

i. **Investment contracts**. Typically, not used at PSU.

j. **Food contracts**. This exemption applies exclusively to the procurement of food and food-related products primarily for resale or program use, not catering through ARAMARK.

k. **Periodicals, library books, and library materials**.

l. **Maintenance services** for the useful life of goods. Departments may purchase maintenance services for the useful life of goods directly from the vendor of those goods.

m. **Used personal property**.

n. **Goods purchased for resale**.

o. **Equipment and supplies for intercollegiate athletics**. Intercollegiate or interscholastic athletic programs may specify a sporting goods product by brand name, make, or the product of a particular manufacturer or seller when procuring athletic equipment and supplies. This includes uniforms, shoes, balls, trainers supplies, etc.

p. **Media** (radio, TV, print, etc.) for athletic programs.

q. **Athletic contest agreements**.

r. **Cadaveric organs**.

s. **Hotel sites for large conferences and workshops**.

t. **Dues, registrations, and membership fees**.

u. **Gasoline, diesel fuel, heating oil, asphalt**.

v. **Equipment repair and overhaul**.

w. **Goods and services purchased in foreign countries**.

2. Exemptions from competitive procedures may be granted for a particular contract or contracts not otherwise exempted under these rules by the Vice President of Finance & Administration or designee.

10.017 **PURCHASES FROM GOVERNMENTAL AGENCIES**

PSU departments may purchase goods and services, regardless of dollar value, from various governmental units, including other State of Oregon agencies, local government units, federal government units, or any other government entity without the use of competitive procedures. However, contracts with other states and foreign governments must be approved by the Oregon Attorney General's office.

10.018 **ORDERS COSTING UP TO $5,000 - One Vendor**

When the amount of the purchase contract does not exceed $5,000, the department may enter into a contract
with one vendor without the necessity of contacting other vendors for quotes. Entering a purchase order for less than $5,000 into the FIS system is optional, unless required by the vendor.

10.019 ORDERS COSTING $5,000 TO $50,000 - Informal Procurement Process
Departments may use the Informal Procurement Process for all purchases of supplies, equipment, and trade services where the estimated cost exceeds $5,000 but does not exceed $50,000, and where the department chooses not to follow the Formal Process (explained below). The Informal Process may also be used for any procurement, regardless of the estimated cost, if use of the informal procurement will not interfere with competition among prospective contractors, reduce the quality of services, or increase costs.

a. The Informal Process is the solicitation of a minimum of three competitive quotes. Solicitation may be accomplished by advertisement or by making a request for vendors to make an offer. Written, oral, or electronic quotes may be solicited. A vendor declining to quote counts as one of the required quotes.

b. A clearly documented record must be kept showing the sources contacted, amounts of the quotes received, basis for selection, and other pertinent information to the solicitation. If three vendors were not reasonably available, the justification for soliciting fewer vendors shall be documented in a text field in the FIS Purchase Order. Other written documentation relating to the purchase must be retained in the department.

10.020 ORDERS COSTING OVER $50,000 - Formal Procurement Process
The Formal Procurement Process must be used, unless other exemptions apply, for all purchases of supplies, equipment, and services where the estimated cost exceeds $50,000. Multiple contracts, purchase orders, or purchase requisitions shall not be issued separately with the intent to circumvent the Formal Procurement Process. The formal process may be accomplished in either of two ways. The Purchasing Office will assist the department in selecting and coordinating the chosen process. The two methods are:

a. Invitation to Bid - The formal bid process requires that the invitation to bid be advertised in a manner that is likely to reach prospective bidders. The advertisement shall include information regarding the goods or services to be purchased and the time schedule for the receipt of such goods or services. The contract under this process shall be awarded to the lowest responsive and responsible bidder who meets the specifications of the bid.

b. Request for Proposal (RFP) - The formal Request for Proposal process shall follow the same guidelines as the formal bid process except that the specifications and price will not necessarily be the predominant award criteria. The award criteria shall be detailed in the RFP.

c. PSU may develop alternative formal procurement methods that meet the following objectives:
   o Respond to innovative business and market methods; or
   o Contribute to institution productivity improvement and process redesign; or
   o Result in comprehensive cost effectiveness and productivity for the institution; and
   o Provide open consideration to more than one vendor using evaluation criteria that may include but are not limited to, cost, quality, service, compatibility, product reliability, operating efficiency, expansion potential, vendor experience and reliability, commitment to support regional business development, and support for innovation.

10.025 DELEGATED PURCHASING AUTHORITY - Summary
PSU departments are delegated purchasing authority for goods and trade services up to $50,000 as of February 1, 1996. (Personal Service Contracts, copiers, and radioactive isotopes are not included in this delegation.) As part of the delegation, departments are expected to document each purchase by indicating shipping terms (FOB point) and payment terms, quantity and description of ordered items, date items are to be received, and "ship to" point on the purchase document. (This "document" may be a Banner PO or notes from the person placing the order with the vendor.) When a purchase exceeds $5,000, departments shall obtain and document a minimum of three (3) competitive quotes, or document why quotes were not obtained. Selection of a contractor is based on various factors which may include, but are not limited to: the vendor quoting the lowest price; quality of item or service; life cycle costing; vendor experience and reliability; timeliness of delivery; performance specifications;
and payment terms. Unless required by the vendor, a hard copy Purchase Order (PO) is optional for orders $5,000 or less. Orders over $50,000, unless otherwise exempted, require use of a formal bid or RFP. Many classes of goods and services are exempt (see 10.016, for instance) from the need to obtain quotes or conduct bids. The Purchasing Office will continue to print POs, offer advice and assistance as needed, including listing price agreements or advising how to access DAS's list of price agreements through Purchasing's home page (found under PSU's home page).

10.026 PREPAYMENT OF ORDERS
Many vendors require prepayment of their order: subscriptions, memberships, conference registrations and hotel accommodations are examples. Previously, these types of orders have been sent to Accounting so a PSU check could be created and sent with the order. But with the increased delegated authority, departments should use the described procedure to prepay the orders. The easiest way to prepay is with the procurement card (VISA) card system (see below). Many magazine subscriptions or mail order items can be paid for by using the VISA card. With this method, the department places the order and pays by giving the VISA card number to the vendor; the order documents are retained in the department for reconciliation of the monthly VISA billing statement. In other situations where a PSU check is desired, prepare a Banner Invoice (Ixxxxxxx) coded "1", an Invoice Voucher marked for a single check, and the vendor's order form (to be sent with the check) or a note indicating whom to call to pick up the check.

10.030 THE PURCHASING FLOW
The following steps represent a "typical" purchase (up to $50,000), under the increased delegated authority of FIS, from inception through delivery and payment of the invoice. Although some purchases may deviate from this example (see Sections 10.050 and 10.060 below), it will illustrate the various steps involved in a normal purchasing process.

10.031 STEP 1: PLANNING BY DEPARTMENT & INTERNAL APPROVAL
A department should foresee its needs far enough in advance to permit a routine and cost-effective method of obtaining needed materials and services. Ideally, a department can, during the summer for example, anticipate needs for fall term equipment or instructional supplies. Additional cost savings can be realized by consolidating the purchase of like items either from within the department or by combining orders to the same vendor with a neighboring department. Before any orders are given or transmitted to a vendor, departmental staff are expected to have received approval from their department head to make the purchase.

10.032 STEP 2: SPECIFYING THE PURCHASE
The items required by the department must be precisely described so a vendor can provide what is required. This description is referred to as the material's specifications, or "specs." These should describe what the department wants, when the order is needed, where and to whom it is to be delivered (person, room number and building), the name, fax and phone number(s) of vendor(s) that are known to supply these or similar materials, pricing information (e.g., quotations or catalog prices), and necessary performance requirements. It is good practice to indicate with whom you spoke in obtaining the price quote.

10.033 STEP 3: CHECK GOVERNMENT PRICE AGREEMENTS
Check availability of the desired goods from list of State Price Agreements. Access PSU's home page on the Internet, find Purchasing's home page for a list of current price agreements, both State and from other political subdivisions. Check with Purchasing for more details.

10.034 STEP 4: THE VENDOR AND SHIPPING TERMS
Contact a vendor to determine product availability, prices and terms. Locate vendors through the Yellow Pages, previous orders, vendor references, other departments, etc.

10.035 STEP 5: ESTIMATE COST OF THE PURCHASE
By estimating the cost of the purchase you determine which purchasing method will be used. For instance, orders up to $5,000 requires only one quote (you still want the vendor to quote so the price is determined in advance). If the estimated cost is over $5,000 up to $50,000, a minimum of three quotes is needed.
STEP 6: SELECT THE VENDOR
Generally, select the lowest priced vendor that meets your specifications. You may select a vendor using other criteria such as quality, shipping costs, timeliness of delivery, product availability, vendor experience and reliability, and service and parts availability. To initiate a PO in BANNER, your vendor must be in the BANNER vendor file. The vendor can be added to the file by calling the Vendor Hotline (5-5919) in Purchasing.

STEP 7: VENDOR SEARCH & ESTABLISHING VENDOR IN FIS
You're ready to initiate a PO with the vendor that was selected, and you're not sure the vendor is in the FIS vendor data base. First, do a search [F4] in the vendor field of the PO screen [FPAPURR]. Tab to the corporation/last name field and enter the first word of the vendor's exact legal name: search on the first word of the vendor name which will normally not be abbreviated (the only exceptions are Univ., Natl., and Assn.); enter the first word followed by a % sign, [F2]. This will bring up every vendor whose name begins with that word. If the vendor's name is lengthy, use a key word for a "global" search: %key word%. If a search does not display your vendor, you may need to collect the following elements in order for Purchasing to add your vendor to the vendor file. The elements needed are: vendor's exact legal name; Federal taxpayer's ID number (Tax Identification Number for corporations, partnerships, etc., or Social Security Number for individuals); address for orders; and telephone number (if available). Individuals have been entered using SSN, but some may have been entered using the usual 8900XXXXX series. Thus, Mike's Stoves could be listed as Mike Jones d.b.a. Mike's Stoves. If you aren't sure, call an expert, at 5-3441, or via the Vendor Hot Line, 5-5919.

STEP 8: PLACE PURCHASE ORDER WITH VENDOR
Place your PO with the vendor; if BANNER is used, the system will create a PO number to give to the vendor, or a hard copy PO can be printed to be mailed or faxed to the vendor. Your PO is documentation of the vendor's offer to sell you goods and/or services and your acceptance of that offer. NOTE: DETERMINE THE SHIPPING TERMS WHEN THE ORDER IS PLACED. UPS shipments will be delivered directly to the ordering department. Your PO needs to reference YOUR DEPARTMENT'S STREET ADDRESS LOCATION. The vendor receives the verbal or written PO and enters the information into their order system. When the items are ready, the vendor ships the materials to PSU, usually via common carrier, to your department's "Ship To" address: P...S...U..., Attn. Your Department, Room Number, Building, Street Address, Portland, OR 97201. Shipping terms are defined: when the PO specifies "FOB (free on board) Shipping Point," title to the materials and risk of loss pass to PSU at the time the material leaves the vendor's shipping dock; conversely, when the PO specifies "FOB Destination," the vendor retains title and risk of loss or damage until the materials are delivered to PSU. PSU pays the vendor for the freight charges in the first instance; in the second, the vendor pays the freight and assumes the risk. For obvious reasons orders specifying FOB Destination are preferable.

STEP 9: RECEIVING
After the ordered materials are delivered to the ordering department, the receiving person in the department matches delivered materials to the original order, comparing what was ordered to what was received. Note the condition of the box and contents - there could be damage. Verify the quantities received and note any serial numbers, if any. If the materials delivered match what was ordered, the receiving person approves delivery by signing the packing slip and forwards the paper work to the department's accountant. There, the packing slip will be matched with the PO and the vendor's invoice. The packing slip should be retained in the department's records as indication to an auditor that the goods actually were received.

STEP 10: BILLING
This step depends on original invoices being delivered or sent to the ordering department, by the vendor. The vendor's invoice usually references: the PO number (if any) and department name; the particular materials purchased; the quantity; the unit and total prices, and additional charges (e.g., freight); payment terms; and remittance address. At the time the order is placed, the vendor must be instructed to send invoices to the ordering department (PSU, xxx dept, PO Box 751, Portland, OR 97207). Once received the invoice is matched to the pending order documents and the signed packing slip. When there is a three-way match, the vendor's invoice is processed for payment in FIS. If there isn't a match, determine if the vendor incorrectly billed the department. Also, ask the ordering person to verify what items were ordered and what prices were quoted. Sometimes a sales person's quote doesn't get translated to the invoice. Or, a catalog's price may have been updated without notice.
10.041 **STEP 11: PAYING THE VENDOR**

After the three-way match, the vendor's original invoice is approved by the department, signifying approval to pay, then forwarded with the associated FIS Invoice to Accounting for payment by a check generated in Business Affairs-Accounting.

10.042 **STEP 12: CUSTOMER SATISFACTION**

Even though the materials arrive in time and the vendor receives payment, there is a final step: the materials must perform to the requesting department's satisfaction. Most vendors stand behind their products and services. The department may have to deal with the vendor in any after-purchase problems, even if this entails returning or exchanging the materials. If it becomes necessary to return an item, the Warehouse (5-4924) may be able to provide assistance. They will also assist in adjusting freight damage claims with the vendor or the freight company.

10.050 **SMALLER ORDERS**

As a general rule 80% of the orders represent only 20% of purchasing expenditures. Given a department's limited staff, it is unrealistic to give each smaller order the same level of service as larger orders. Smaller orders, therefore, are handled by the originating department in a variety of ways:

10.051 **A. Delegated Authority - $50,000**

As explained above, each department may purchase non-repetitive goods and services by issuing a FIS Purchase Order for orders over $5,000. Unless required by the vendor, POs are not required if the order is for less than $5,000. NOTE: Purchasing and Accounting recommend doing a PO for Inventoried Minor Equipment (Acct Code 20219) or other property you desire to track on the equipment inventory. The PO and invoice will assist Accounting in creating an inventory record and balancing the Fixed Assets file. Questions? Call the Accounting Manager, 5-3752. Another type of purchase that benefits from a PO is an annual maintenance contract - such as one for a copier - where an invoice is sent once a month. Creating a PO encumbers the annual amount; and paying regular pay invoices from a PO is easier than processing 12 separate "D-Pay" invoices. The payment process is simplified because the PO is approved once; further approvals aren't required to process regular pay invoices.

10.052 **B. Corporate Express Office Supplies - Use is optional**

PSU has piggy-backed on to a office supply contract with Corporate Express to provide general office supplies on a direct-shipment basis. The use of this contract is optional. The low prices and easy ordering make the use of this contract very convenient. Order Form - Purchases of office supplies and materials from Corporate Express must be made with a Portland State University Office Products Form. In the top portion, the department enters the date, department name, contact person, and telephone number. Corporate Express makes direct deliveries to campus departments. In the bottom portion, enter department's index number and activity code, if applicable. The person authorized to commit funds from the department signs in the Departmental Approval block, the department retains the pink copy, and the form is faxed by the department to Corporate Express, be sure to MARK THE BOX to show the order was faxed, and mail the remainder of the form to Purchasing (BO-PUR). If the "Order Has Been Faxed" box is not marked, Purchasing will fax the order form to Corporate Express. Extra forms are available in the Purchasing Office, 5-3441.

There are no excluded items under this contract. Under the old State contract, we were prevented from directly ordering certain items. Those restrictions are lifted.

Catalogs - Corporate Express provides each department with two resource catalogs: (1) the Corporate Express ("Maxi") Catalog which is updated annually; and (2) the Intergovernmental Co-Operative Purchasing Net Price catalog (called a "pricer"). Catalogs and order forms are available from Purchasing. Questions about items that are available from Corporate Express's Customer Service Desk, 257-9455. Ordering - Although there is no minimum order, departments are encouraged to plan purchases to minimize orders under $50. Each order must stand alone - with no more than 14 lines of items, complete accounting information and signature - a second page is considered a second order. Orders are faxed (503/257-9525) by the department or Purchasing; telephone orders are not accepted. Prices for the items you ordered are shown on the packing slip for each shipment. Corporate Express invoices Accounting every two weeks. Accounting journal vouchers the cost of the order to the
index code referenced on the order form.

Discrepancy - If a discrepancy is found in the order, call Corporate Express Customer Service immediately, 257-9455. The return policy is very flexible. Just keep the packaging intact so the item can be resold.

10.053 C. CAMPUS DEPARTMENTS
Some campus departments resell items to other departments. For example: Computing & Information Systems sells computer diskettes and software; Facilities Stores sells fasteners, tools, tape, and building materials. These are sources you can buy from directly. Billing for these items is through the journal voucher (JV) system.

10.054 D. Procurement Card Purchases A New Program is Coming
Purchasing has issued over 135 VISA cards for assignment to card custodians or individuals in departments. The credit cards aim at reducing paperwork associated with smaller purchases. To request a credit card, a department signs either a custodian agreement, which allows several designated persons to use the card, or an individual agreement. Most cards currently have a $2,500 limit. The cards identify PSU and the name of the department or individual authorized to use the card. Each card is pre-assigned to a particular department Index Code; the master invoice is paid once a month by Accounting for all cards; individual card statements are JV'd to the pre-assigned Index Codes, using a generic account code 28995. The card may not be used for personal purchases and certain other expense categories, including 1099-reportable services. Business Affairs or OSSHE Internal Audit Division are responsible for auditing transactions. Departments are responsible for maintaining a log of card transactions, retaining transaction receipts for audit, safekeeping the VISA cards, and verifying monthly statement billings. The card is not intended to buy radioactive isotopes. The Bookstore asks departments to not use their VISA credit cards at the Bookstore or Powersource, see below. A new VISA program will be announced in early 1996.

10.055 E. Portland State Bookstore and Powersource Purchases
NOTE: This paragraph does not apply to EQUIPMENT or inventoried property purchases equal to or exceeding $500, such as a Macintosh computer from Powersource. The Bookstore and PSU have a program to simplify the purchase of needed materials by campus departments. Purchase orders or paperwork of any kind are not necessary to make purchases from the Bookstore, including Powersource. To make a purchase, simply go to the Bookstore, select the merchandise, go to Customer Service, identify yourself with PSU ID for billing the costs to your department, indicate your Index Code on the top of their invoice, sign your NAME and campus telephone EXTENSION on the bottom of the invoice. The Bookstore will verify ID and may check with the department or Purchasing before approving the sale. Once a month the Bookstore sends one statement, with the original charge slips, to Accounting; the master statement is distributed and charged by journal voucher to the respective indexes. The Bookstore asks that departments not use their VISA charge cards in making purchases; use the simplified charge system instead. Questions? Call the Purchasing Manager at 5-3611.

10.056 F. Personal Reimbursements and Petty Cash Funds
Departments making frequent small purchases are encouraged to sign up for a VISA credit card (see above). The credit card is intended to reduce the need for personal or petty cash reimbursements. Both types of reimbursements use the same form, Reimbursement Request form (BO 266). Use it to reimburse individuals for expenditures of personal funds. The Reimbursement Request is completed as outlined below. Note: reimbursement requests should be filed promptly and all purchasing rules must be followed. Using personal funds is not a means of circumventing Purchasing rules. Even with the credit card, a department may need to establish a Departmental Petty Cash Fund. Instructions for establishing such a fund can be found in Section 14.620. The dollar amount of the fund should not exceed thirty (30) days anticipated expenditures (enough volume to cause the fund to "turn over" each month). Once established, the Petty Cash Fund operates in the following manner:

1. A small cash purchase is made directly from a vendor.
2. The sales receipt for the purchase is retained by the department and submitted for reimbursement in a timely manner.
3. The claimant (when personal funds were used) or the person advanced the fund (when petty cash funds were used) prepares a Reimbursement Request (RR). Indicate the source of funds by checking the appropriate box at the top of the form. Items purchased are entered on the form in date order of
purchase. The description of each item should be complete and understandable. **Original sales receipts** are attached to the completed Reimbursement Request form and sent to Purchasing (BO-PUR).

4. RRs are reviewed and authorized by the Purchasing Manager. Reimbursement must not exceed the amount of the Petty Cash Fund.

5. The method of payment: cash picked up at the Cashier's Office (the person making the request must pick up the cash and have photo ID).

10.060 **PURCHASES THAT REQUIRE ADDITIONAL INSTRUCTIONS**

A number of purchasing situations are out of the ordinary and require additional instructions. Contact Purchasing if additional information or assistance is required.

10.061 **Campus-Wide Maintenance Agreements**

The University establishes maintenance/service agreements for various types of University owned or controlled property such as electric or electronic typewriters, and some computer equipment. Coverage is not automatic. Departments must submit a list to Purchasing in order to obtain coverage. The list must contain the following information: 1) machine serial number; 2) machine inventory number; 3) location, building and room number, 4) contact person's name and telephone number and; the department's Index Code. Usually, these agreements cover only charges for service calls and scheduled maintenance of equipment. Check with the Purchasing to find out if parts are covered in your agreement. If not covered, replacement parts for equipment repair are to be paid on a separate invoice. On any repair, always indicate the PSU inventory number (if any) on repair order and the FIS invoice.

10.062 **Data Processing Equipment Projects costing >$50,000**

Unfortunately, OUS's delegated authority is not complete in two areas: data processing projects costing over $50,000 and Telecommunications projects involving "major enhancements" must be reviewed and approved in Salem by DAS. Contact Purchasing for guidance about your particular situation.

10.063 **Telecommunications Projects with "Major Enhancements"**

See 10.062, above, and contact Purchasing regarding your particular situation.

10.064 **Dues and Memberships - (Account Codes 28901, 28902, and 29005)**

Organizational memberships are generally divided into three categories. The first includes organizations of public officials and administrators. Membership in these organizations is institutionally related and is beneficial to the institution. The second category includes organizations made up of interested persons from government, private or commercial fields. The activities of the organizations are closely related to the individual's employment. Membership is recognized as a benefit to the individual and to the institution because of knowledge gained or publications received. Use account code 28901 for program-related memberships; use account code 29005 if the membership is training-related (e.g., if the membership allows a faculty member to be trained in a new technique, use 29005. Instances are somewhat infrequent.) In the third category, organizational membership is restricted to persons in a specific professional field. Membership in these organizations is of a more personal nature and individuals would probably belong regardless of their affiliation with the institution. Memberships in the first two categories are usually allowable; memberships in the third category usually are not allowable. Memberships for various civic organizations (Portland Chamber of Commerce) are allowable, use 28902 account code.

10.065 **Federal Express and Other Air Freight**

There are four departments which are authorized to buy airfreight services from Federal Express (FedEx) and have FedEx direct bill: NCRI; RRI; SBA; and Vanguard. Other departments may ship items through the Warehouse; indicate the department's Index Code on the FedEx form. Fedex invoices PSU through Accounting, which JVs the respective users. Centralized billing helps expedite payments since federal law requires air freight charges be paid within a specified time. The University has established an account number with Federal Express which picks up outgoing shipments each day (about 3:00 pm) at the Warehouse. All Fedex orders picked up at the Warehouse are assigned this number (unless an individual account number has been listed).

10.110 **EMERGENCY PURCHASES - Something happens that wasn't planned or foreseen**
Occasionally events happen that weren't reasonably planned for or foreseen that could create a substantial risk of loss, damage, interruption of services, or threat to the public health or safety that requires prompt execution of a contract to remedy the condition. In these situations, the purchasing rules can be superseded and contracts awarded without getting three quotes or conducting a formal bid. Only the president or the vice president for finance and administration may designate such an emergency. The procurement process to be used will be at the discretion of person authorizing the emergency and must be documented. The documentation must justify the use of the emergency process.

10.140 PURCHASING SURPLUS PROPERTY
Surplus or excess property is often available from various sources. Sources for surplus property include:

- DAS operates a warehouse in Salem for two surplus programs covering state and federal surplus property. The equipment is generally in fair to good condition and is available for sale to any state agency. Federal property is available for only a small service charge. Further information about the state surplus programs is available from DAS by calling 378-4714 (state) and 378-4711 (federal).
- Oregon State University and Oregon Health Sciences University collect surplus property from various OSSHE institutions. The property is either resold to institutions or it is sold at public auction. For further information, call the Property Control desk at 5-3109.
- Campus surplus is maintained by the Warehouse, 5-4921. Occasionally, departments will have furniture and equipment which are surplus to their needs. Generally, this equipment is only in fair condition; however, it is often adequate for temporary needs of student or casual use. This surplus equipment is available on a first come, first served basis.

10.150 REFRESHMENTS, INTERDEPARTMENTAL MEETINGS (Account Code 28611)
Expenditures for non-alcoholic beverages and snack foods served as refreshments at business, instructional or similar PSU meeting are permissible when the following guidelines are met. The order or invoice for refreshment charges must indicate the purpose of the meeting, the time, place and approximate number of persons present. “Executive Approval” is not necessary; approval is made by the person having approval authority over the referenced index.

10.160 HOSTING GROUPS AND OFFICIAL GUESTS (Account Code 28612)
The University or an employee, in the normal conduct of a program/activity may serve as host for official guests of the institution, paying for their meals, refreshments, transportation, or other expenses. Hosted events/guests would include recruitment of candidates for positions, visiting dignitaries, Advisory Board meetings, commencements, meetings for community or public relations, employee retirement receptions, departmental open houses, etc. Expenses for hosting official guests or group gatherings may be paid to the vendor providing the services or are reimbursed directly to an employee.

**Hosting Limit Guidelines:** Payment for the full amount of reasonable expenditures may be authorized, according to PSU hosting limit guidelines, of up to: **Breakfast - $10; Lunch $15; Dinner $30.** These rates are per person and include gratuity of up to, but not to exceed 15%. Reminder: **alcoholic beverages are not reimbursable** except in very unusual circumstances (see item e, below). Delete these costs from the reimbursement request; pay for them and associated gratuities out-of-pocket or, if appropriate, make a claim against a PSU Foundation account.

a. **Documentation Required:** When seeking reimbursement, use the Reimbursement Request Form BO-266. Personal claims should be prepared on this form (see Section 10.940). You can pay vendors, i.e., catering and restaurants, through FIS. The dates, names of individuals hosted, and purpose of the event should be documented in the text field of the invoice for each request. Names are not required when hosting large informal group gatherings such as an open house event. ARAMARK’s catering bills are paid centrally by Accounting and billed back using the JV process.

b. **Invoices or Receipts:** Meals, gratuities and beverages should be separately itemized; a “tear tag” showing only the total charges is not adequate documentation. A statement on or attached to the receipt enumerating expense details and signed by the employee is acceptable when the employee is unable to
obtain an itemized receipt or invoice.

c. **Account Codes:** Use Account Code 28612 for hosting groups or guests.

d. **"Executive Approval"** is delegated to the person authorized to approve expenditures from the particular index code used in the transaction.

e. **Alcoholic Beverages:** Reimbursement of alcoholic beverages cost is not allowed except: if the cost is charged to a gift, grant, or contract fund and is expressly authorized by the terms of the gift, grant or contract; if the full cost of the alcoholic beverage is recovered through charges to the participants; or if paid by an off-campus group (Agency Fund).

f. **Meals of Spouses:** Sometimes, when interviewing job candidates or hosting official guests, the candidate or guest is accompanied by the spouse. In that case only, it may be allowable to pay for employee spouse meals. Employee spouse meals are not normally reimbursable. A request for an exception, with explanation, must be attached or written on the reimbursement form.

g. **Employee Meals:** It is allowable to pay or reimburse the full cost of an employee's reasonable meal expense may be reimbursed (within the hosting limits shown above) in conjunction with hosting groups and guests, provided the meal is not in conjunction with overnight travel. If on travel status, to avoid IRS tax implications, the reimbursement must be according to the approved travel meal rates for the particular city where the hosting takes place.)

I. Meals are allowed for:
   1. A planned inter-departmental or inter-institutional meeting called to accomplish a specific purpose; and
   2. The meeting has a formal agenda with the meals included as part of the agenda.

II. Refreshments are allowed when:
   1. The meeting is a planned inter-departmental or inter-institutional gathering with a specific purpose or agenda; and
   2. Will last for several hours; and
   3. Convenient adequate refreshment facilities are unavailable, or using other facilities would excessively disrupt proceedings.

10.940 REIMBURSEMENT REQUEST (FORM BO-266)

Use this form to claim reimbursement for out-of-pocket expenses paid by an individual (employee or non-employee) or to reimburse a petty cash fund. In the first case, the claimant is set up in FIS as a vendor. Name, current address, and tax ID number are required elements. Employee addresses are verified in the payroll database for home address, but these files are not always up-to-date. Since Accounts Payable mails the reimbursement checks to the claimant's home address, current home addresses are important. In the other case when petty cash funds are reimbursed, the individual who signed for petty cash fund becomes the payee. Petty cash claimants receive a telephone call to pick up their checks in Accounts Payable or at the Cashiers Office. We require the claimant to attach the original receipts in date order to the Reimbursement Request to substantiate the claim. Any expense item with an Account Code that is 1099 reportable (e.g., 23501, 24503, 24510, 24602, 24604, etc.) should be changed to 28994 "Reimbursement of S&S Expense to Employees."

10.950 COPIERS

Virtually every office has one or more copiers. Historically, these machines have been coordinated through the Purchasing Office. The Purchasing Manager received calls requesting a new or different copier from departments and proceeded to contact one or more copier vendors. The copier vendors would contact the department and show what was available, usually under the provision of a State Price Agreement. Purchasing's policy has been to give the departments a choice of at least two brands of copiers. With new OSSHE purchasing authority, Purchasing has the ability to select copiers from several contract sources, including the States of Oregon and Washington, plus several other public agencies. Departments, to avail themselves of the large number of available sources, initially should call Purchasing when copier needs change.