



PURCHASING PROCEDURE GUIDE

As a publicly funded educational institution Arizona Western College is subject to public purchasing laws and regulations including State Statutes, District Governing Board policies, and institutional procedures, and is audited annually by the State Auditor General's Office, to ensure adherence to policies.

The following is not a complete compilation of purchasing policy but only serves as supplemental information to the [Purchasing Manual](#).

First & Foremost

Only the purchasing department has authorization to obligate District funds through the issuance of a Purchase Order. **Individuals placing orders without authorization may be held personally responsible for the purchase.** The requisition itself is not a legal document and cannot be used to authorize a Contractor to provide materials or services to any person or department, nor can it be used to process payment for a transaction.

The practice of requesting **reimbursements** for purchases made without prior approval of the Purchasing Department through the issuance of a Purchase Order is not acceptable. If a situation occurs for which reimbursement seems necessary, please contact the Purchasing Department **prior** to the purchase for assistance so as to prevent violation of Purchasing Policy.

All funds irrespective of source are subject to purchasing policy. This includes grant and club funds.

Do not order anything unless there is space available to store it, or intend to have it immediately installed. Receiving has a very small back room that is basically used as a staging area until products can be delivered. There is no secure storage. Deliveries which cannot be made with the mail will need to be picked up the same day they arrive, or need to have a work order in with Facilities for delivery. Items requiring installation must have a work order on file with Facilities **prior** to arrival. Purchasing is not responsible for items left in back room.

The Purchasing Cycle

1. A requisition is entered online in Colleague by the requesting department
2. Approvals are obtained
3. A purchase order is created from the requisition by the Purchasing Dept.
4. The purchase order is then:
 - Sent **by the Purchasing Department** to the Contractor for fulfillment of order, or
 - Hand-carried by requestor to Contractor for fulfillment of order, or
 - Sent to Accounts Payable for payment (subscriptions, agreements, reimbursements, etc.)
5. After satisfactory and complete receipt of goods, or rendering and acceptance of service(s), the Purchase Order is sent to Accounts Payable for payment.
6. Payment is made when Accounts Payable has received a complete and accurate invoice.

Approved requisitions with all proper documentation and with correct account codes in amounts under \$10,000 will generally be processed within 24-72 hours of receipt by the Purchasing Department. Reports are run at 7:00 a.m. and approved requisitions **with properly submitted backup paperwork** are processed that day if possible. If a requisition was approved later in the day which requires processing immediately, please notify purchasing as soon as possible, and every attempt will be made to get it processed.



Requisitions

Requisitions cannot be used for **salaries, wages, benefits or travel**. Payments for meeting registration fees must be submitted through Travel, not purchasing.

Be very specific when filling out requisitions: **part numbers, exact sizes, units of measure, quantities, colors, etc.** The Purchasing Dept. as well as the Contractor needs to know exactly what is being ordered. Also, the **primary description information** such as "Oak Table", "Microscope", etc. **needs to be first on the line**. Colleague pulls the first part of the description onto all documents and into the Asset Management system. Do not use model #'s or other unidentifiable data in the first section of the description. It may delay the creation of the P.O.

Make sure the **correct account code** is used on the requisition. If uncertain which account code should be used, please call or email the Purchasing Department. Some things may not seem to fit a particular code, but the auditors have given guidelines to determine what will be used and use it consistently. The "**Frequently Used Object Codes**" list online can help determine the proper code to use.

Use the "**printed comments**" field of the requisitions for additional information such as Contractor contact name, Contractor fax number, and any additional ordering instructions.

Use the "**comments**" field of the requisition for additional *internal* information that does not need to be printed on the Purchase Order such as cooperative #, justification of the purchase, etc.

Forward copies of any **supporting or explanatory documentation** to the Purchasing Dept. This could include quotes, applications, subscriptions, renewal notices, Professional Services Claim forms, Hazmat forms, W9's, etc. A Purchase Order will not be issued until these approved forms are received. Be sure to write the requisition number on any submitted documentation.

AWC does not prepay orders. Purchase orders are contracts and as such, ensure the Contractor receives payment when the goods/services have been delivered. If, however, a Contractor insists on prepayment of an order, contact the Purchasing Dept. to discuss an alternate means of ordering. AWC's standard payment terms are **Net30**. Vendor must supply ACH information.

It is understood that not all situations fit normal procedure. Please contact the Purchasing Dept. as soon as circumstances arise which may require "special handling" so that guidance may be given as to the best manner to deal with the situation without violating Purchasing policy.

New Contractors:

Before a new Contractor can be input into Colleague, Purchasing must first request a completed IRS W-9 form from the Contractor and confirm that purchase orders are accepted. This is done when purchasing is made aware of the new Contractor, either by way of an approved requisition or by an email from the requestor. The length of the process depends upon the speed of the Contractor's response. It is recommended to send an e-mail with name, address, phone and fax numbers, and/or web address prior to submitting the requisition. Contractors may register at WWW.AZPurchasing.org at no charge to receive notice of solicitations being posted.

Taxes:

AWC is NOT tax-exempt except on fuel. Be sure to add sales tax to the requisition in the tax code field.

Sales tax is paid to the State of Arizona on applicable items when an out-of-state Contractor does not charge tax. Use the out-of-state tax rate of 5.6 % on the requisition.

Neither Labor nor Shipping costs are taxable.



Approvals

The requestor/initiator is responsible for tracking requisitions to ensure that necessary approvals are obtained. The Purchasing Dept. is generally unaware of the existence of particular requisitions until the requisition receives its final approval. However, purchasing may be contacted with a specific requisition number to request guidance in determining the appropriate next approver.

Approval Levels:

Authorization levels are as follows:

- Directors, Department Heads, Associate Deans, and Division Chairs: Approval up to \$2,499.99
- Deans, Dir. of Facilities Management, CIO: Approval up to \$4,999.99 (If there is no Dean for the division, the next approver would be the V.P.)
- Controller: Approval up to \$24,999.99
- Vice Presidents, President: Approval up to \$49,999.99
- V.P. for Finance and Administrative Services up to \$99,999.99 with District Governing Board Approval, if applicable.
- Any purchase of \$100,000 and greater requires approval by the President and the V.P. for Finance and Administrative Services with District Governing Board Approval, if applicable.

ALSO, if any of the budget codes used fall in one of the following classes, additional approval is needed:

Micro-computing (account object code 5399, 5435, and 5699): Director of Computer Information Services or Director of Technology Support Services up to and including \$4999 (total requisition amount) and AWC President if \$4999.01+ (total requisition amount)

Food Purchases (account object code 5241): Vice President or Appropriate Dean for the department/division

Object codes beginning with 1 through 4, 6 through 7: Vice President for Finance and Administrative Services

Funds: beginning with 1 or 9): Director of Financial Services or Director of Treasury Services

Club Funds 9901-9906: Coordinator of Student Leadership and Activities up to and including \$999 and Director of Financial Services for amounts \$999.01+

Please note that there may be other approval requirements. These are just the most common ones.

Special Condition Purchases

Catering and Food:

The general rule is that the College will not approve expenditures for food not associated with an AWC sanctioned event. Recognizing that in certain extraordinary circumstances, the provision of meals or refreshments is appropriate and in the best interest of the College, an exception may be permitted if **approved by the Vice-President or Dean over the Department and justification is documented** (see next paragraph).

The purchase of food requires an "Official Function" explanation in the [non]printed comments field of the requisition. The **purpose, participants, benefits, and date of the event** must be stated. (See P-Card Manual for additional guidelines on food purchases.)

Food items **exempted** from the Official Function category are: Cooking classes, resale by clubs, meals for athletic teams when Food Service is closed, meals provided in fees paid by participant, foods provided per contract to non-college groups, food as identified by a V.P. Exemption memo.

All catering requests must be coordinated through the Conferences and Events Department. No external catering is permitted in the 3C building without a V.P. waiver. AWC's in-house catering



group has first rights to any food service/ food purchasing that happens on behalf of the campus. They will either supply the food at a competitive price or issue a catering waiver for food to be purchased off campus. All PO's for food will be stopped in the purchasing department and the request be re-directed to the Conference and Events department, unless accompanied by the appropriate documents. This policy applies to any requests using institutional, grant, or club funds.

Professional Services:

An individual (not a business) paid from object code 5240 (professional services) requires that a Guest Services Claim Form be submitted. This form is available online on the Purchasing webpage. As with goods, services are not paid for until received, and 30 days after submission of invoice. In some instances, insurance and/or a background check may be required **prior** to services being conducted. Please see documents on the purchasing page for a more detailed explanation of procedure.

Current (or within 1 year) employees of AWC may not be paid through a Guest Services Claim process. Compensation for additional services must be requested through Payroll.

Computer Hardware and Software:

All computer hardware, software, peripherals, and any other equipment that works in conjunction and/or necessitates compatibility with a computer, require the following:

A) An **account object code** of 5399, 5699, or 5435, as appropriate

B) **Approval** by Director of Technology Support Services or Director of Computer Information Services (up to \$4999.99 total req amount) and AWC Vice-President or President (if over \$4999.99).

It is highly recommended that individuals contact the Helpdesk for assistance as soon as it is determined a need exists. IT technology purchasing will handle placement of all IT orders.

Furniture and Installed Equipment:

All furniture and facility-impacted purchases are subject to final approval by Facilities Management. While additional approval is not required on the requisition itself, the Purchasing Department will advise Facilities of any such purchases and will defer to their decision based on such factors as appropriateness of purchase, quality standards, adherence to ADA, OSHA and fire code, and Contractor selection. Therefore, when considering this type of procurement, it is advised to first contact the Purchasing Dept. and/or Facilities for guidance.

Copiers:

The college has a contract in place for the provision of **high volume** copiers. Please contact the Director of Purchasing for advisement on the purchase or lease of copiers, or any other issue relating to copiers. Desktop copiers are to be purchased through IT Technology Purchasing.

Capital Goods

Capital items are defined as any single item or system of \$5000 or more in value (including tax, shipping, and set-up costs), having a useful life of at least one year.

Capital account object codes begin with 56. For example: 5611 or 5699. Items less than \$5000 **may not** be purchased using a 56 object code. Please see fixed asset guidelines for more info.

Contracts

The College utilizes State and other accepted Cooperative Purchasing Contracts. The use of such approved contracts meets the obligation for obtaining competitive pricing and thus the bid and/or quote requirement is waived. Please check with purchasing for recommended Contractors for a particular procurement to ensure an agreement is in place with the selected Cooperative Agency. The purchasing Department reserves the right to change a Contractor on a requisition if a



contracted one is available for the same product/service and it is deemed to be in the College's best interests to do so.

Only the College President or VP for Finance and Administrative Services, or designee appointed by the aforementioned, are authorized to sign contracts, agreements, and leases on behalf of the College. All documents containing terms and conditions or pricing need to be directed to VP for Finance and Administrative Services or the Director of Purchasing. ***Signing without authority may result in the signing individual being held personally liable for the charges incurred and any additional financial obligation associated with the agreement.***

Bid and Quote Limits (See Purchasing Manual for Grant Limitations)

Purchases between \$10,000 and \$49,999.99 (including tax and shipping) require three **written price quotations** of identical or acceptably similar products or services (if identical cannot be found). Printouts from the internet **may** be permissible for this purpose if approved by the Director of Purchasing. If three quotations cannot be obtained, documentation must be submitted showing Contractors contacted but not offering price quotations, or an explanation of why price quotations were not obtained. It is always recommended that requests for quotes be submitted to the Purchasing Office for assistance in obtaining the best price. Purchasing has quote templates available for use for purchases of less than \$50,000. The Director of Facilities Management, without quotes, may award **construction** purchases up to \$49,999.99.

Insurance Requirements

All Contractors conducting services on any AWC property MUST provide acceptable Certificates of Insurance to Risk Management, which name AWC as additional insured for that project, and include formal endorsements. Do this PRIOR to services being rendered, unless granted a written waiver by Risk Management.

Anticipated expenditures for material goods of \$50,000 or more per transaction require a formal **sealed** solicitation conducted by Purchasing. Contact the Director of Purchasing for an explanation of procedure. Please estimate a four to six week timeframe for the process. Purchases for goods of \$50K and above require District Governing Board (DGB) Approval, prior to award.

The bid and quote thresholds are not applicable to procurements utilizing an approved **State or Cooperative Purchasing Contract** (see Contract section above), except that DGB approval may still be required.

Requisitions ARE NOT to be artificially separated to avoid the quote or bid process.

Payments, Receipts, and Invoices

Remember, payments to Contractors cannot be made until all the following have occurred:

- A. A requisition was created and has received all required approvals; and a PO has been issued.
- B. Accounts Payable has been notified by Purchasing/Receiving that the requestor has received the goods or services (or the PO has been "accepted").
- C. Accounts Payable has an original, complete, and accurate invoice.
- D. W9 and ACH Forms have been completed by the vendor. ***(Please remember, to be included in the next payable to be run by A/P, the previous requirements must have been met by 5:00PM on the prior Tuesday.)***

Gifts and Gratuities

College personnel will not accept personal gifts or gratuities from any past, current or potential supplier of goods or services to the College. This includes, but is not limited to, meals and free merchandise with orders. Free or bonus goods received with orders are to be turned in to Human Resources.

Meals and giveaways that are offered to **all** attendees at trainings and seminars are acceptable.



All donations to the college must go through the AWC Foundation to be accepted.

Any gift or award to an employee by the college, with a value of \$25 or more, is taxable as income. All cash or cash equivalent is taxable as income (i.e. gift cards).

Receipts for Goods or Services:

In the case of **hand-carried PO's** to local Contractors, make sure to return receipts to the Accounts Payable Department within one week of issue. This will ensure prompt payment to Contractors.

If goods are received on a **Purchase Order** that did not get checked in through Central Receiving, please inform Purchasing or Receiving and forward the receipt and/or packing slip to Receiving.

Receipts for off-campus **meals** must be itemized. The College will not pay for alcohol or any other restricted item.

It is not known if a service has been completed and is payable unless an accepted invoice has been turned in to Accounts Payable.

Invoices:

Although the PO's instruct Contractors to mail invoices directly to Accounts Payable, stray invoices often end up in requestors' offices. Immediately sign and **forward all invoices to Accounts Payable**. This also applies to invoices which may have been e-mailed. Again, Accounts Payable cannot issue payment without having an invoice.

Accounts Payable cannot pay from **statements** (a list of outstanding invoices) or **estimates/quotes**. An invoice must have a minimum of *Contractor name and address, date, an itemized description of product or services, taxes if applicable, and total price* on the Contractor's official letterhead or invoice form.

STATUS of requisition or purchase order

If there are questions about why a requisition or PO is in a particular status, please call Purchasing.

A **requisition** in the one of the following statuses means:

U (Unapproved or In Progress) = The "Requisition Finished" field was not changed to "yes".

N (Not Approved) = Required approvals have not all been obtained.

O (Outstanding) = Necessary approvals have been obtained but a PO has not yet been processed.

P (Purchase Order) = A purchase order has been generated.

A **purchase order** in one of the following statuses means:

O (Outstanding) = Requested goods and/or services have not yet been received.

A (Accepted) = Requested goods and/or services have been received and the PO has been forwarded to Accounts Payable to await payment.

P (Paid) = Order has been paid.

R (Reconciled) = Contractor has cashed the payment check or accepted the ACH transfer.

Dealing with Contractors

Do not place an order with a Contractor without a purchase order unless using a Purchasing Card!

Do not promise an order to a Contractor – all purchases and Contractors must be approved by the Purchasing Department. Promising an order without authorization could find the offender **personally liable** for the charges.

Do not expect a supplier to provide layout or design services without charge or obligation.



Vendors who provide specifications from which to develop a solicitation, are not eligible to participate in the actual solicitation. This would be a conflict of interests.

Do not accept loaner equipment or equipment for evaluation unless it has been preapproved by Purchasing. Doing so may result in the acceptor being held personally liable for any costs associated with the acceptance.

Any gift items sent to the college with or without orders are the property of the District and need to be reported and turned in to Human Resources. Failure to do so will result in formal action.

Do not share pricing from one Contractor with other Contractors or anyone else. This is not legal. Only after a PO is issued to a Contractor do prices from a solicitation become part of Public Record, and even then, that information needs to be done via a Public Record Request to the Purchasing Director or the office of the Vice President of Finance and Administrative Services, and will not include any confidential information. Only in that way may solicitation information be made available to the public.