

FERRIS STATE UNIVERSITY
ADMINISTRATION AND FINANCE
PURCHASING MANUAL

PURCHASING CODE OF ETHICS

1. Give first consideration to the objectives and policies of my institution.
2. Strive to obtain the maximum value for each dollar of expenditure.
3. Decline personal gifts or gratuities.
4. Grant all competitive suppliers equal consideration insofar as state or federal statute and institutional policy permit.
5. Conduct business with potential and current suppliers in an atmosphere of good faith, devoid of intentional misrepresentation.
6. Demand honesty in sales representation whether offered through the medium of a verbal or written statement, an advertisement, or a sample of the product.
7. Receive consent of originator of proprietary ideas and designs before them for competitive purchasing purposes.
8. Make every reasonable effort to negotiate an equitable and mutually agreeable settlement of any controversy with a supplier; and/or be willing to submit any major controversies to arbitration or other third-party review, insofar as the established policies of my institution permit.
9. Accord a prompt and courteous reception insofar as conditions permit to all who call on legitimate business missions.
10. Cooperate with trade, industrial and professional associations, and with governmental and private agencies for the purposes of promoting and developing sound business methods.
11. Foster fair, ethical and legal trade practices.
12. Counsel and cooperate with NAEP members and promote a spirit of unity and a keen interest in professional growth among them.

National Association of Educational Procurement, Inc.
July 1, 1985; Reviewed 1992, Revised 2005

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ADMINISTRATION AND FINANCE PURCHASING MANUAL**

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FERRIS STATE UNIVERSITY
PURCHASING PROCEDURES

FERRIS STATE UNIVERSITY PURCHASING PROCEDURES

INTRODUCTION

The following procedures have been developed with two main goals in mind; one is to enable University departments to obtain goods and services in an efficient manner and the other is to insure that University resources are used wisely and in accordance with Board Policy and best business practices.

There are two options available for processing purchases at Ferris State University:

- VISA Purchasing Card
 - Small Dollar Purchases (\$2,000 or less)
- Requisition/Purchase Order
 - Purchases at All Levels

This guide will help you determine what procedures you need to follow in every step of the process, from researching what is available to getting quotes, approvals, ordering, receiving and in some cases returning items. It also includes information about volume contracts, who to call if you have complaints about vendors and a variety of other information related to obtaining materials and services necessary for the operation of the University.

In all cases, whether you are using a Purchasing Card or a University Purchase Order, the authority to purchase is the responsibility of the Purchasing Officer. This authority is being delegated to Account Managers with the intent that Account Managers adhere to the Purchasing Code of Ethics, Board Purchasing Policy and these Procedures. The Procedures have been developed by the Purchasing Office and approved by the President and Vice President of Administration and Finance.

If you have any questions about the Policy and Procedures or need help with a purchase, feel free to call or stop by the Purchasing Office.

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APPROVALS

Approvals for Requisitions, Change Orders and Purchasing Cards have been delegated to the Account Manager. Designated Account Managers must request On-Line Purchasing System approval through a data security form submitted to the Data Security Manager. Purchasing Card approval is granted via a Purchasing Card Enrollment Form, which has been signed by the Dean or Director of a specific area. (Refer also to the sections on Purchasing Card Procedures.)

The On-Line Purchasing System utilizes electronic, on-line approvals. One such approval is required for all requisitions and change orders, regardless of dollar amount. Departments have the ability to build multiple levels of approvals based in individual needs. In addition, a Purchasing Department approval is required for all orders with a total of over \$5,000.00.

Approval requirements may differ in various divisions and offices. Departments should check with their Vice President's office to determine signature requirements for their area. All Requisitions and change orders require on-line approval by the individual authorized to administer the account. Backup materials, such quotations, contracts, packing slips, Authorization for Return to Vendor copies, warranties, vendor correspondence must be filed with the Purchase order copy.

Purchases over \$150,000 must have the President's approval. This will take place after the bidding process. The Purchasing Office will send an E-Mail to the appropriate vice president's office. The memorandum will include details of the purchase, including the vendor, goods or services to be purchased, reason for purchase and the total amount of the purchase. The VP will obtain the President's approval and will return a signed copy of note to the Purchasing Office for backup purposes.

The Contracting Policy specifies signatures required for contracts with the University and designates the President and the Vice President for Administration and Finance as the contracting officers for the University. For more specifics related to required signatures for contracts, refer to the [Contracting Policy](#).

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Approval requirements for purchases and contracts in specific amounts are described in the Board of Trustees Purchasing Policy. Refer to the Board Policy Section in this manual for more details and see the chart below:

FSU PURCHASING POLICY - APPROVALS REQUIRED

LEVEL	ACCT MGR*	PURCHASING	PRESIDENT	BOARD
\$0 through \$5,000.00	•			
\$5,000.01 through \$10,000.00 Purchasing's discretion to solicit quotations.	•	•		
\$10,000.01 through \$150,000.00 Requires three quotations.	•	•		
Over \$150,000.00 Sealed bids required.	•	•	•	
CONSTRUCTION over \$250,000.00 Sealed bids and advertising required.	•	•		•
PROFESSIONAL SRVS \$25,000.00 OR MORE	•	•		•

*REFER TO SPECIFIC UNIT POLICIES REGARDING APPROVALS.

AUTHORITY TO PURCHASE

Authority to purchase for orders with a total cost of \$5,000 or less has been delegated from the Purchasing Officer to Account Managers, as defined in the Board of Trustees Purchasing Policy. Account Managers or their designees are bound to follow purchasing rules as described in this Purchasing Policy and Procedures Manual. Delegation of authority can be removed for violation of policy.

Furthermore, only individuals with approved purchasing signature authorization can commit the University to an external purchase. All “after-the-fact” purchase orders require the next higher level of approval. Individuals making unauthorized or unapproved purchases may be subject to disciplinary action.

ARCHIVING

User departments keep the official purchase order copy, along with all applicable backup materials. Backup materials include receiving information such as packing slips, Authorization for Return to Vendor copies, vendor correspondence and signature copies. Departments will maintain the files for seven (7) years.

BIDS AND QUOTATIONS

Quotations

NOTE: The purchasing office has discretion to bid anything >\$5000 and should be consulted and included in any copies of quotations totaling more than \$5000.

For purchases greater than \$10,000, the requesting department should send an E-Mail to the Purchasing Department with the following information:

- Detailed description of goods or services (specifications)
- Estimated cost
- Recommended vendor(s)

If the description or list of goods is lengthy, the requesting department may send a file attachment in either Excel or Word to the Purchasing Department..

The Purchasing Department will evaluate the specifications to determine if additional information is required. Purchasing personnel will notify the department and will solicit additional quotations when appropriate. Once the request for quotation has been sent, the Purchasing Department will forward a copy and a list of vendors to the contact person for their information. When all the quotations have been received from the vendors, the Purchasing Department will analyze the quotations, discuss them with the department and select a vendor.

In some cases, goods or services cannot be quoted, as in the case of a sole source provider or a specific brand to be compatible with material already owned by the University. In these cases, a memorandum must be forwarded to the Purchasing Office as backup to the requisition stating the reason for not obtaining quotations or proposals. Insufficient time to obtain quotations is not an acceptable reason.

Bids

Board Purchasing Policy states that all University purchases of and contracts for goods and services, except as specifically provided in the Board Policy, with a total dollar amount of \$150,000 or more require competitive, written bids, which are sent to not less than three (3) suppliers. The Purchasing Office assigns bid numbers and sends bids to vendors. For food bids, Dining Services obtains bid numbers from Purchasing and sends the bids to the vendors (see **FOOD PURCHASES**). Any department requesting bids should work through the Purchasing Office to insure proper bid procedures are followed.

Advertising to Solicit Bids

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Advertising is required for construction projects with an estimated cost greater than \$250,000. These bids will be advertised in three (3) sources, including trade journals, newspapers or on a network of reporting services, such as Dodge Reports, Builders Exchange, etc.

Receipt of Bids and Quotations

The Purchasing Office receives bids and quotations on or before the due date and time. Bids and quotations may be hand delivered, faxed, mailed, e-mailed or sent special delivery, unless otherwise indicated in the bid specifications.

It is the bidder's responsibility to make sure bids and quotations are received in the Purchasing Office on or before the due date and time and that the information contained in the bids and quotations is correct and meets specifications. This responsibility rests entirely with the bidder; there are no exceptions for postal delays or any other reason. Late bids will not be accepted or considered except under the following circumstances: 1) bids received on time do not meet specifications, or 2) no other bids are received.

Once bids and quotations are received in the Purchasing Office, the documents are dated and placed in the appropriate file. The envelopes are opened the day they are due, except in the case of a public bid opening. If the bids are late, they are marked late and will not be considered. They are then returned unopened to the vendor, unless one of the circumstances listed above exists.

After the bids have been opened, copies of the bids are given to the requesting department by Purchasing Office personnel, if desired. The requesting department and Purchasing Office personnel discuss the bid results at this time. The vendor is selected in consultation with the Purchasing Office.

The requisition is prepared by the requesting department. The bid number and bid due date must be included in the top line of the document text of the requisition. The requisition must be approved and assigned a Purchase Order Number prior to contacting the vendor. The Purchasing Office is responsible for contacting the bidders to let them know which vendor was awarded the bid. This contact is made via a letter to each vendor submitting a bid.

Public Bid Openings

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For bids which are estimated to be a dollar amount greater than \$150,000.00 a public bid opening will be held which may be attended by any member of the public. Bids for inventory items and Requests for Proposals will be excluded from this procedure.

BUDGET ACCOUNTS/FUNDS

Fund designations and budget accounts are established and published by the Accounting Office. Orders to suppliers and interdepartmental transactions may be processed only against established accounts which have sufficient funds and which bear the signatures (approval) of the individuals authorized to administer the account.

BUY AMERICAN

Ferris State University endeavors to buy products and services produced or manufactured in the United States of America whenever possible. The University will not purchase foreign goods or services if competitively priced American goods or services of comparable quality are available.

CATALOGS AND LITERATURE - REQUESTS FOR

Requests for catalogs or literature may be made through the Purchasing Office. If the requested catalog or literature is not in the Purchasing library, they will be obtained for the requesting department as expeditiously as possible.

CONFLICT OF INTEREST

The Conflict of Interest Policy is a Board-approved policy. In brief, this policy states that "No Ferris State University employee shall be a party, directly or indirectly, to any contract between him or herself and the University."

A Conflict of Interest Questionnaire is distributed annually for employees' signatures. If there are questions regarding Conflict of Interest or the procedures to be followed regarding Conflict of Interest, please contact the Office of the Vice President for Administration and Finance.

CONTRACTING POLICY

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The Board Contracting Policy states that the President and the Vice President for Administration and Finance are the only persons authorized to sign contracts other than Purchase Orders, except as otherwise specified in this policy. Questions regarding this policy should be directed to the Office of the Vice President for Administration and Finance.

CONTRACTS - STATE OF MICHIGAN

State contracts for materials/equipment are kept on file in the Purchasing Office. These contracts are available for use by the University subject to the terms set forth by the State.

COOPERATIVES AND ASSOCIATIONS - PURCHASING

Contracts developed by E & I (Educational and Institutional Buyers Cooperative), MACUPA (Michigan Association of College and University Purchasing Agents) and other similar cooperatives and associations may be used for purchases with a total dollar amount of up to \$25,000 without soliciting quotes or bids. Copies of these contracts are kept on file in the Purchasing Office. For orders more than \$25,000, refer to the Board policy sections relating to appropriate dollar levels.

DAMAGED SHIPMENTS

*Refer to: **RECEIVING PROCEDURES – DECENTRALIZED***

EMERGENCY PURCHASES

An emergency is any occurrence which may be disruptive to the University operations or may create a hazard to the health or safety of persons or property if not corrected as soon as possible.

When such an event occurs during working hours, the proper authorities must be notified, i.e., the supervisor of the facility involved, the Director of Physical Plant, the Vice President for Administration and Finance, or the President of the University.

The Director of Physical Plant or his/her designee must call the Purchasing Office for approval of the Requisition and give the name of the vendor where the purchase will be made, an estimated cost and details of the emergency.

If the emergency occurs during the nighttime hours, on weekends or holidays, the purchase of emergency items must be done by the authority of the President, Vice President, or senior maintenance supervisor. If such a purchase occurs, the Purchasing

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Office must be notified within two (2) working days as to the details of the purchase so that proper documentation can be made.

FEDERAL FUND PURCHASES

Purchasing for Federal grants/contracts is accomplished in accordance with the policies and procedures of Ferris State University as well as within any limitations that may be included in the grant/contract.

FEDERAL GOVERNMENT SURPLUS PROPERTY PROGRAM

The University participates in the Federal Government Surplus Property program.

1. The Surplus program one warehouse (Lansing). The program is administered by the State of Michigan.
2. Admission to the warehouse to shop is by a permit card. The permit may be reserved for the day you want to shop by calling the Purchasing Office at extension 2165.

FILES

Refer to: **ARCHIVING**

FOOD PURCHASES

1. Starting in January of each year, a review of purchases made in the previous year is conducted by Dining Services. A list of over 2,500 food items and their usage is extracted and evaluated as one of the factors for estimating future requirements.
2. In February, bid documents are prepared by Dining Services from information gathered and evaluated during the spring review. This preparation covers approximately 40 categories of food items utilized by Food Services.

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3. Not later than the first week of March, invitations to bid are sent by Dining Services to qualified suppliers. Bid numbers are obtained from the Purchasing Office.
4. Bid invitations are due the second week of May each year. All bids are received in the Purchasing Office at Ferris State University and date/time stamped as received.
 - A. After the bids are received, they are given to a Dining Services' representative.
 - B. All bids are audited by Dining Services for compliance with specifications and for accuracy of computations.
 - C. Samples may be purchased for testing when there is doubt as to the quality acceptance of the food items offered on a bid.
5. Not later than the first week of June, letters are sent to all bidders informing them as to the results of the bidding.
 - A. Unsuccessful bidders are notified by mail and may contact the Director of Dining Services if they wish to review the bidding.
 - B. Successful bidders are assigned Purchase Order numbers and the University's "Supplier Quotation Agreement" is signed. The suppliers are then notified of the time deliveries are to begin on July 1 each year. Procedural details are reviewed and verified before deliveries begin.
 - C. Supplier names, their prices and inventory information are entered into the Food Pro System.
6. Single Source Purchases:

Documentation must be provided to support single-source acquisitions.
7. Dining Services will send a list of vendors for all categories to the Purchasing Office. This list will include the Purchase Order number, vendor name, account number, etc.

FORMS

The following forms are used for the procurement of goods and services at Ferris State University. Refer to the Appendix for copies of the forms.

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1. **Interdepartmental Requisition** - This form is to be filled out for intra-University purchases, when required. Copies are to be distributed as indicated on the form (see Appendix - Form A).
2. **Requisition/Purchase Order** - This form is a three-part printed form, which is generated from the on-line Banner Purchasing System. One part to be distributed to the vendor, one part to be returned to the requesting department and one part is retained in the Purchasing Office. There are two types of Purchase Orders (Regular and Standing) Purchase Orders may be used for orders for any dollar amount (see Appendix - Form B).
3. **Return to Vendor Form, Authorization for** - This form is to be filled out for all goods which are shipped from the University. The entire form should accompany the outbound goods to Central Receiving. Central Receiving will distribute the copies as indicated on the form (see Appendix - Form C).

IMPORT, CUSTOMS REGULATIONS, AND DUTY CONSIDERATIONS

Requests for information regarding procedures involved in the import or export of University purchased material should be directed to the Purchasing Office, extension 2165.

LEASE OF EQUIPMENT/PROPERTY

Lease/installment purchase agreement activity must be coordinated with the Purchasing Office in accordance with Board Purchasing Policy. Detailed procedures regarding lease/installment purchase agreements are listed in the Business Policy Letter entitled Lease/Installment Purchase Agreement Review.

MAINTENANCE AGREEMENTS

Maintenance agreements are obtained by bidding or, if bidding is not possible, by accepting a vendor's published price list delineating yearly maintenance charges for the equipment they sell/service.

Maintenance agreements are established to properly protect and maintain University-owned equipment. Such agreements are restricted to a specific period of time, usually the University fiscal year. It is the responsibility of the account administrators to insure that the maintenance agreement is complied with as established.

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When a purchase for maintenance service is acquired (either by PO or P-Card), it is the responsibility of the requisitioning department to see that the service is performed in accordance with the terms of the agreement. If service is not rendered or is not satisfactory, the Purchasing Office should be notified with reference being made to the maintenance contract.

ON-LINE PURCHASING PROCEDURES

1. A request for goods and/or services is initiated, prices and all other pertinent information are confirmed, and the information is entered on-line as a Requisition. Information shall be confirmed and approved by the department approver. Contact the Purchasing Office if there are any questions or information needed regarding type of PO, pricing, vendor selection, payment terms, FOB point, etc. It is the policy of Ferris State University to assign payment Terms Net 30 days unless approved otherwise.
2. Automated budget balance available (BBA) checks will be performed when the order is entered on-line. If sufficient BBA exists, the order will be processed after the approval is obtained. If insufficient BBA exists, the enterer must contact Accounting (ext. 3903) to make the transfer before the approval can be obtained and the order processed.
3. On-line electronic approval by an individual authorized to administer the account is required for Purchase Orders of \$5,000 or less. Requisitions with a total greater than \$5,000.00 require an additional electronic approval by the Purchasing Office.
4. Purchase Orders numbers are assigned and printed in the Purchasing Department at least once a day. The Purchasing Office forwards two copies of the Purchase Order to the department for further processing. If the order type is "Prepaid," or Net 00 terms, the Purchasing Office forwards the "Vendor" copy to Accounts Payable for processing and forwards the department copy to the requesting department.
5. The user department may mail, fax or personally deliver the order to the vendor. Upon request, the department may have the Purchasing Department fax the vendor copy. It is important that both sides of the Purchase Order are faxed so that Terms & Conditions of the sale are realized by the vendor.
6. Any changes to the order will be entered by the department listed on the Purchase Order. All change orders will be printed. Changes which impact the vendor should be mailed to the vendor by the requesting department.

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7. Receiving documents will be created and completed by the requisitioner. Any damage claims will be handled by the requisitioner. "Unreceiving" data will also be entered directly into the system by the requisitioner. Refer to **RECEIVING PROCEDURES - DECENTRALIZED** for more information.
8. The user department is responsible for maintaining Purchase Order files for seven years. Refer to **ARCHIVING** for more information.
9. User manuals and guides contain step-by-step procedures for the on-line purchasing process and are available for all requisitioners to help provide up-to-date information about purchasing procedures.

PURCHASING CARD

The Purchasing Card should be used for appropriate purchases from participating vendors of up to \$2,000 (as specified in the Purchasing Card Manual) Refer to the Purchasing Card Manual for Purchasing Card procedures and exclusions.

Increases to Purchasing Card limit may be requested for acquisitions

QUOTATIONS & BIDS - Refer to: **BIDS AND QUOTATIONS**

RECEIVING PROCEDURES - DECENTRALIZED

The receiving process begins when the requisitioner generates a Requisition.

1. Entering the Requisition "Ship To" Information - The requisitioner **must** enter the "Ship To" information on the Requisition using a delivery address code number. These six-digit codes are maintained by the Purchasing Office. The requisitioner may have the goods shipped directly to the ordering department or may have the goods shipped to Central Receiving who will deliver the goods to the department. If a department would like a delivery to go to Central Receiving, it is very important that the ordering department make Central Receiving aware of the delivery by calling x5135.

NOTE: If the department chooses to have the goods delivered directly to the department, the room designated on the "Ship To" address must be staffed Monday through Friday between 8:00 a.m. and 4:30 p.m. If no one is going to be in this room during lunch, the lunch hour must be posted.

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2. Receiving the Goods

- A. The term "recipient" refers to the initial recipient of the goods, which is either the ordering department or Central Receiving.
- B. The recipient will accept the delivery from the carrier, inspect the shipment for carton damage, and sign and date the shipping document.
- C. The recipient will verify the package count by comparing it to the count recorded on the shipping document. If there is any discrepancy, the recipient will note it on the shipping document.
- D. If there is visible carton damage, the recipient will make note of the damage on the shipping document.
- E. In cases of extreme damage, the delivery may be rejected by the recipient.
- F. If there is concealed damage of goods delivered by the carrier or Central Receiving, it is the responsibility of the requisitioner and must be reported to the carrier within **15 days** in order to maintain a valid claim. Upon request from the department, Central Receiving will assist with freight claims, but damaged goods must remain in the initial receiving location ordering department until inspected by a representative of the freight company.
- G. If the goods are delivered to the ordering department by Central Receiving, the ordering department will sign the log sheet presented by Central Receiving as proof of delivery. Central Receiving will provide the ordering department with the signed shipping document.
- H. Central Receiving will not be expected to deliver goods to non-addressed locations, nor will they unwrap the goods.
- I. The ordering department will match the items received to the Purchase Order.
 - 1) If there is a shortage of goods shipped, the ordering department will contact the vendor for order completion.
 - 2) If extra goods or incorrect goods are received, the department will contact the vendor for return authorization and complete an Authorization for Return to Vendor form. Goods will be returned to the vendor via Central Receiving (reference #3 - Shipping of Outbound Goods).

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- J. The ordering department will record the receipt of goods using the On-Line Banner Purchasing System Receiver Document.

NOTE: Decentralized receiving allows the ordering department to control payment of goods received. In order to maintain positive vendor relationships, it is necessary that timely entry of receiving information be completed.

- K. All shipping documents will be filed with the department copy of the Purchase Order.

3. Shipping of Outbound Goods

- A. All outbound goods must be sent through Central Receiving. Central Receiving will be maintained as the sole UPS shipping point for Ferris State University. Departments are cautioned not to send goods via UPS directly from their offices, because UPS assesses a weekly base rate for a period of one year for each shipping point, regardless, of whether the service is used or not.

- B. The department returning the goods will perform the following steps:

- 1) Complete an Authorization for Return to Vendor form.
- 2) Package the goods for shipment.
- 3) Type a shipping label and attach it to the package.
- 4) Contact Central Receiving for pick-up of the package and the Authorization for Return to Vendor form.
- 5) File the departmental copy of the Authorization for Return to Vendor form.

- C. If goods ordered via a Purchase Order are returned to the vendor, the ordering department will record the necessary changes/deletions on the On-Line Receiving Document. The departmental copy of the Authorization for Return to Vendor form will be filed with the department copy of the Purchase Order.

RECIPROCITY

The University does not engage in or submit to the practice of reciprocity in any purchase transactions. Business is awarded only on the basis of what is best for the University.

REQUISITIONS/PURCHASE ORDERS

Requisitions should be used to process all orders (except in cases where a P-card can be used) Access to create requisitions may be obtained through the Banner Purchasing

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Training that is part of the Banner Software System. various departments throughout the campus have been trained and authorized to enter requisitions and/or approve orders on-line. All orders having a cost more than \$5,000 are reviewed and approved by the Purchasing Department before being issued to a supplier.

RETURN TO VENDOR, AUTHORIZATION FOR – (PROCEDURES)

All outbound goods must be sent through Central Receiving and must be accompanied by an “Authorization for Return to Vendor” form. Material returned directly to a vendor from a department may result in that department and/or Ferris not receiving credit for the return. In no case may damaged material be returned to the vendor without completing an “Authorization for Return to Vendor” form. Goods which have been received via a Purchase Order must be “unreceived” on the On-Line Purchasing System.

Approval for a return is obtained from the vendor by the ordering department. The ordering department completes the “Authorization for Return to Vendor” form. All information requested on the form must be completed. This form doubles as an invoice if there is a credit due the University. In this manner, the Accounts Payable Office makes sure that the University receives the monies due and credits the account originally charged. A Central Receiving Clerk picks up the material at the department and gives the original authorization form to the department as a receipt for the returned material(s). This copy is then filed with the Purchase Order in the departmental office. The department must also send a copy of the “Authorization for Return to Vendor” form to the Accounts Payable Office.

The pink copy of the RV/invoice is used as a packing slip and the vendor matches it against the original RV/invoice by its RV number when the "returned goods" reach the vendor's receiving dock.

SALES REPRESENTATIVES ON CAMPUS

To eliminate unnecessary interruption in the departments, all sales representatives are directed to a Purchasing Officer to schedule an appointment. In the event that a member of the University staff desires to discuss his/her requirements with a sales representative, or if, in the opinion of the Purchasing Officer, a discussion would be pertinent, arrangements will be made at the convenience of the staff member.

SOURCE SELECTION

Those sources are selected which best serve the interests of the University. The Purchasing Office makes every effort to work with the departments in selecting the best source with respect to price, quality, and delivery while following the Purchasing Policies and Procedures as outlined in this manual.

SPECIFICATIONS

Specifications are to be submitted in a form which will permit equitable consideration from all known qualified sources. The Purchasing Office will consult with administrative officers and competent specialists or secure such technical assistance as is required.

STANDING PURCHASE ORDERS

Standing Purchase Orders are open or standing authorizations against which departments may request material or services directly from the vendor. Such orders are authorized by the Purchasing Office by exception, providing certain circumstances exist and specified considerations can be met. Standing Purchase Orders are generally authorized for departments where the frequency/variety of small orders from one vendor is such that the volume of paperwork would be costly, inefficient, and prohibitive.

A Standing Purchase Order should meet the following requirements:

1. Items are required on a substantially frequent basis
2. Material is of an expendable or consumable nature, (capital equipment items are not permissible)
3. The Purchase Order total is restricted to a specified dollar amount.
4. If the Purchasing Card is not an acceptable or appropriate alternative.

Standing Purchase Orders must be established in accordance with purchasing policies and procedures. All Standing Purchase Orders are “NR” (no receiver) type orders.

TAXES

The University is exempt from the payment of Federal and State taxes on most transactions. Tax exemption certificates or other evidence of tax exemption will be provided by the Purchasing Office when requested by vendors or University employees. The tax registration number (38-730152F) is printed on the front of all Purchase Orders and on the front of the Purchasing Cards.

VENDOR COMPLAINTS

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In order to maintain up-to-date files regarding vendors, all complaints regarding vendor performance, service, and delivery should be forwarded to the Purchasing Office. Unsatisfactory performance, service and delivery to the University must be documented in order to justify selection of alternate vendors and/or their delivery contractors.

VENDOR NUMBERS

The Purchasing Office approves and establishes all vendors in the On-Line Banner Purchasing System. All vendors must be established on-line before initiating an order. Contact the Purchasing Department via e-mail with all pertinent information to establish a vendor number. All vendors must also complete a W9 form prior to being entered into the Banner Purchasing System, this is to ensure accurate data, without duplications into the Banner Purchasing System.

VENDOR TERMS

Vendor terms should be obtained from the vendor by the end user prior to calling the Purchasing Office to establish a vendor number. The standard terms are Net 30. Anything terms other than Net 30 should be justified and approved through the Purchasing Department. Should the vendor offer a discount for early payment, those terms should also be given to the Purchasing Office for entry into the On-Line Banner Purchasing System.

VENDORS - 1099

Services requiring a **personal** service contract and the issue of an IRS Form 1099 must be processed using the On-Line Banner Purchasing System, except those specifically identified by the Accounting Office for disbursement using the Direct Invoice. The end user should notify the Purchasing Department of the need to have a vendor entered as a 1099 vendor at the time the vendor is established in the On-Line Banner Purchasing System. To determine if a vendor is a 1099 vendor, contact Accounts Payable at ext. 2167.

WARRANTIES

Terms of warranties must be indicated on requisitions by the requesting department. Many items are delivered with a warranty certificate attached to the item or inserted in the shipping container. It is the ordering department's responsibility to record these warranty periods. In the event that service is required during the warranty period, the Purchasing Department is available for assistance.

FERRIS STATE UNIVERSITY

BOARD OF TRUSTEES

PURCHASING POLICY

**FERRIS STATE UNIVERSITY BOARD OF TRUSTEES
PURCHASING POLICY
BOARD APPROVED Revised 10/22/04**

Part 4. Administration and Finance

**SUBPART 4-2
PURCHASING POLICY**

Sec. 4-201. Adherence to Good Business Practices, Ethical Standards, and Applicable Law.

Purchases made pursuant to the Purchasing Policy shall be consistent with good business practices and in accordance with the ethical standards of the National Association of Purchasing Management and with all applicable local, state and federal law.

Sec. 4-202. Equality of Opportunity in Contracting.

To the extent permitted by applicable law, the University will be supportive of programs and practices that promote the ability of minority, woman and disabled business owners to compete equally for opportunities to provide goods and services to the University.

Cross References:

[Subpart 1-3](#). Statement of equal opportunity in education and services to the public.

[Sec. 6-102](#). Equal employment opportunity.

[Part 7](#). Equal opportunity and non-discrimination policy.

Sec. 4-203. Purchases of and Contracts for Goods, Supplies and Services-General Provisions.

1. All purchases of and contracts for goods, supplies, and services by the University shall be made in accordance with this subpart and/or the [University's Purchasing Policy](#), except as otherwise specifically provided.
2. Prior to any commitment to a vendor, the funds necessary for the purchase or contract shall be encumbered against the applicable account(s).
3. A purchase or contract shall not be subdivided to avoid the requirements of this subpart.

Sec. 4-204. Authority to Purchase or Contract.

Unless expressly reserved by the Board herein, the Vice President for Administration and Finance and, as to the matters which concern solely the FSU Grand Rapids Campus, the Vice Chancellors for FSU-Grand Rapids, or their designated representative or representatives (hereinafter "Purchasing Officer"), shall have the authority and the duty to purchase or contract for all goods, supplies, and contractual services required by the University. This shall be in accordance with the University's Purchasing Policy, which shall include criteria for when purchases and

Ferris State University Purchasing Manual
Mission Statement, Role and Function

contracts for goods, supplies, and contractual services for the University require competitive bids, written quotations, or written proposals; the approvals to be obtained for purchases and contracts for goods, supplies, and contractual services for the University, and the procedures to be followed.

Sec. 4-205. Matters Reserved to the Board.

The Board, as the body corporate having ultimate responsibility for the University, reserves to itself the responsibility to:

1. Approve all proposed purchases of and contracts for capital construction or construction services for the University involving a cost greater than \$250,000, prior to the solicitation of bids.
2. Approve contracts for professional services for the University involving a cost greater than \$25,000.

Cross Reference:

[Subpart 4-1. Contracting policy.](#)

Sec. 4-206. Monthly Purchasing Report.

The Vice President for Administration and Finance and the Vice Chancellors of FSU-Grand Rapids shall furnish the Board with a monthly report of all purchases and contracts for all goods, supplies and contractual services entered into by the University involving a cost greater than \$10,000.00. Such report shall state the name of the contractor, the name of the city where the contractor is located, the subject matter of the purchase or contract, and the purchase order amount and date.

Sec. 4-207. Exceptions from this Subpart.

The provisions of this subpart and the University's Purchasing Policy shall not apply to the following:

1. Employment of temporary, part-time, or full-time employees of the University.
2. Collective bargaining agreements between employee associations and the University.
3. Banking, daily cash management, short-term investments, stock investments, asset management of annuity trusts, and related matters.
4. Professional service contracts with the independent auditors and legal counsel.
5. *Cross References:*

[Part 2.](#) Bylaws.

[Subpart 4-7.](#) Banking and cash management.

[Subpart 4-8.](#) Investment policy.

[Part 6.](#) Personnel policies.

Business Policy Letter, [BPL 04:05](#), *Purchasing Policy*

Ferris State University Purchasing Manual
Mission Statement, Role and Function

Business Policy Letter, [BPL 97:29](#), *Risk Management Policy*

Prior Board Action:

October, 1998.

July 23, 1999.

Entire Subpart 4-2 included in October 19, 2001 Codification,
Phase I.

Entire Subpart 4-2 included in October 22, 2004 Codification,
Phase II.

FERRIS STATE UNIVERSITY
PURCHASING OFFICE
MISSION STATEMENT, FUNCTION
AND ROLE

FERRIS STATE UNIVERSITY
PURCHASING MANUAL

Ferris State University Mission Statement

Ferris State University will be a national leader in providing opportunities for innovative teaching and learning in career-oriented, technological and professional education.

Purchasing Office Mission Statement, Function and Role

Mission Statement

The Purchasing Office of Ferris State University is a creative and innovative management team mandated to seek out the best solutions to acquiring maximum value for goods and services used in the operation of this institution of higher education. This mandate requires that strong links of communication be developed between our team and all areas of the University. Long-term business relationships must also be established and maintained with suppliers to insure these optimal values. Maximum value is accomplished by service to the University through the provision of informed advice about quality, durability and both short- and long-term costs.

Function

The Purchasing Office is part of the Finance Department, which falls under the Administration and Finance Division. The Purchasing Office is organized to serve the University community in the exploration, selection, acquisition, and utilization of goods and services necessary to its operation and to provide accountability for University expenditures.

The basic purchasing function includes:

- securing the proper requirements,
- at the time needed,
- from the best qualified vendor,
- at the best value for the University.

It is the intent of the Purchasing Office to maintain good public relations with the departments which it serves, with vendors, and with the public. To do so, the Purchasing Office seeks to assure fair treatment at all times so that common interests are preserved.

Role

Ferris State University Purchasing Manual
Mission Statement, Role and Function

The role of the Purchasing Office is to provide the Ferris community with the following services:

- Administration of FSU Purchasing Policy
- Leadership for Continuous Improvement of Purchasing Process
 - Empower Employees
 - Eliminate Non-Value-Added Processes
 - Establish Quality at the Source
- Training and Support of End-Users
 - Use of the On-Line Purchasing System
 - Enhancements, New Modules, etc.
 - Legal Requirements (e.g., Uniform Commercial Code, etc.)
 - Emergency Back-up for Departmental Purchasing/Receiving Functions
- Negotiation with Vendors to Obtain Best Value
- Establishment and Maintenance of Vendor Relationships, including Vendor Education and Evaluation of Vendor to Provide Information Regarding Service, Product Quality, Replacement Policy, Longevity, etc.
- Maintenance of Vendor Files, including Lists of Minority- and Women-Owned Vendors
- Coordination of Campus-wide Bidding of Common Items (e.g., personal computers, office supplies, forms, etc.)
- Negotiation of Maintenance, Service, Financing, and Other Purchasing-Related Contracts
- Preparation of Reports for the Board of Trustees and University Management
- Maintenance of Purchase Order Archives

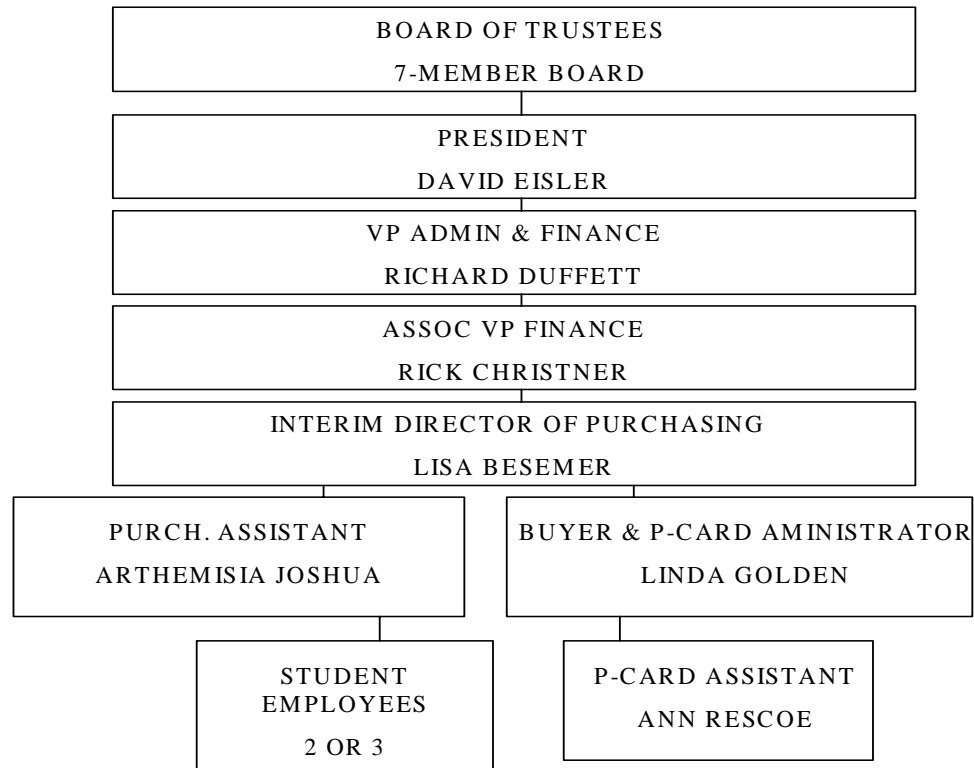
**Ferris State University Purchasing Manual
Mission Statement, Role and Function**

PURCHASING OFFICE - COMMODITIES LIST

COMMODITY	BUYER
Appliances	Linda Golden
Athletic Equipment	Lisa Besemer
Audio Visual Equipment	Lisa Besemer
Automotive	Lisa Besemer
Awards	Linda Golden
Building Equipment and Supplies	Linda Golden
Chemicals	Linda Golden
Clothing	Lisa Besemer
Communications Equipment (incl radios)	Lisa Besemer
Computers	Lisa Besemer
Construction	Linda Golden
Copy Machines	Lisa Besemer
Design Services (Office Layouts)	Linda Golden
Electrical Supplies	Lisa Besemer
Fax Machines	Lisa Besemer
Floor Covering, Carpeting	Linda Golden
Food Products and Equipment	Lisa Besemer
Forms	Lisa Besemer
Furniture	Linda Golden
Highway and Road Equipment and Materials	Lisa Besemer
Laboratory Chemicals and Equipment	Linda Golden
LCD Projectors	Lisa Besemer
Library Equipment/Supplies	Lisa Besemer
Machine Tools	Lisa Besemer
Marketing Services	Lisa Besemer
Medical Equipment and Supplies	Linda Golden
Office Machines/Equipment	Lisa Besemer
Office Supplies	Lisa Besemer
Paper	Lisa Besemer
Photocopiers	Lisa Besemer
Photographic Equipment	Lisa Besemer
Printers	Lisa Besemer
Printing	Linda Golden
Promotional Items	Lisa Besemer
Public Works and Park Area Services	Lisa Besemer
Safety and Protection	Linda Golden
School Equipment/Supplies	Lisa Besemer
Scientific Equipment	Linda Golden
Software	Linda Golden
Sports Medicine	Lisa Besemer
Telecommunications	Lisa Besemer
Televisions	Lisa Besemer
Testing Equipment	Lisa Besemer
The Trades	Lisa Besemer
Typewriter Maintenance	Lisa Besemer
Typewriters	Lisa Besemer
Vehicles	Lisa Besemer
Water Supply & Treatment	Lisa Besemer
Welding Supplies & Equipment	Linda Golden

January 2007

FERRIS STATE UNIVERSITY PURCHASING OFFICE



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APPENDIX

APPENDIX - FORM A

FERRIS STATE UNIVERSITY
INTERDEPARTMENTAL REQUISITION

YOUR REQUISITION NO
DATE

VENDOR

DELIVER TO


ITEM	QUANTITY	UNIT	STOCK NO.	COMPLETE DESCRIPTION	UNIT PRICE	AMOUNT
<h1>SAMPLE</h1>						
						TOTAL

FORM A

CHARGE ACCOUNT NUMBER

REQUESTED BY: _____	DATE: _____
APPROVED BY: _____	DATE: _____
DEPARTMENT HEAD	
APPROVED BY: _____	DATE: _____
DEAN OR VICE PRESIDENT	

APPENDIX – FORM B

 FERRIS STATE UNIVERSITY www.ferris.edu Tax Exempt # 38-730152F 420 Oak Street, PRK 254 Big Rapids, MI 49307-2020		Page 1			
Billing Address: Send invoice to address listed above, attention "Accounts Payable." Show PO number and your Federal Tax ID or Social Security Number on your invoice.		PO Number: P0006014 Issue Date: 10/31/06 Delivery Date: 10/31/06			
Purchasing Department: (231) 591-2165 Accounts Payable: (231) 591-2166		Contact originating department to confirm acceptance of PURCHASE ORDER and delivery date.			
VENDOR	SHIP TO				
Nike USA Inc PO Box 847648 Dallas TX 75284-7648	Professional Golf Management 1506 Knollview Dr -Knollcrest Big Rapids MI 49307-2290 ATTN: Diane Maguire				
Contact	Terms				
Diane K. Maguire 231-591-2380	Net 1 Day				
Item	Description	Quantity	UOM	Unit Cost	Total Cost
1	Shirts for the President's Golf Invitational held on 9/08/2006, at Katke. 20000 Dri-Fit Mens TE	124.00	EA	19.3700	2,401.88
2	20000 Dri-Fit Womens Polo	19.00	EA	20.5000	389.50
3	DA Shipping Added to Invoice, Ownership at FSU	1.00	FRT	174.1300	174.13
FOB - SHIPPING: Destination Prepay & Add					DISCOUNT: .00 ADDITIONAL CHARGES: .00 TOTAL: 2,965.51
Packing slip must accompany all shipments. Purchase Order number must appear on all packages, invoices, and correspondence. ALL TERMS & CONDITIONS ARE LISTED ON THE REVERSE SIDE OF THIS DOCUMENT. The University reserves the right to cancel this order if delivery is not made by agreed-upon delivery date.					
If all charges, including shipping and handling, prices and any additional charges are not listed correctly, call the "Contact" person listed above to correct the order before shipment.					
IMPORTANT NOTICE: The vendor shall provide a M.S.D.S. with each original order of hazardous chemical as defined in 29 CFR 1910.1200. The PO Number shall be noted on each M.S.D.S.					
Ferris State University is exempt by statute from payment of all federal, state and municipal excise, sales and other taxes. Federal ID# 38-6005159 and tax exemption number is 38-730152F.					
Vendor ID: 12000322 Phone: Fax:	Transaction Date Oct 31, 2006 PO Print Date Nov 1, 2006		Requisition # R0006057 PURCHASING COPY		
Vendor Contact:					

APPENDIX – FORM C

Ferris State University

AUTHORIZATION FOR RETURN TO VENDOR

RV No. _____
OGS No. _____

From: _____
Requested by: _____

Date: _____

FOR ALL RETURNS TO VENDORS - FILL OUT COMPLETELY AND CALL THE
CENTRAL RECEIVING OFFICE (592-5935)

Vendor FID No. _____
Vendor Name: _____ Address: _____
City: _____ State: _____ Zip Code: _____
P.O. No. _____ P.O. Date: _____ P.O. Budget Code: _____
(6 Digits)

YOUR CHOICE OF THE FOLLOWING OPTIONS INSURES
CORRECT METHOD OF SHIPMENT AND FREIGHT CHARGES

- | | | | |
|--|--|-----------------------------------|--|
| Disposition of Return: | Indicate Shipper: | Option of Shipment: | Shipping Charges: |
| <input type="checkbox"/> Returned for Credit | <input type="checkbox"/> UPS | <input type="checkbox"/> Ground | <input type="checkbox"/> Ferris to Pay |
| <input type="checkbox"/> Returned and Replaced | <input type="checkbox"/> Federal Express | <input type="checkbox"/> 2nd day | <input type="checkbox"/> Vendor to Pay |
| <input type="checkbox"/> On Approval | <input type="checkbox"/> Airborne | <input type="checkbox"/> Next day | <input type="checkbox"/> COD Freight Ship. Chg. |
| <input type="checkbox"/> Overshipment | <input type="checkbox"/> Express Mail | <input type="checkbox"/> Saturday | <input type="checkbox"/> COD Cost of Merchandise +
Shipping Charges |
| <input type="checkbox"/> Other _____ | <input type="checkbox"/> Other _____ | | |

Reason for Return: _____

DEPARTMENT REQUESTING RETURNS MUST FILL IN THE FOLLOWING INFORMATION

Person Authorizing Return _____ Date _____ Authorization No. _____

ITEM TO RETURN

Quantity	Description	Amount
SAMPLE		

(Department Signature)

RECEIVING AND MAIL ROOM USE ONLY

Package ID No. _____
Date Shipped: _____
Carrier: _____
B/L No. _____
No. of Packages: _____
Zone No. _____
PPD COD

Pc. No.	Weight	Ship Charges	Ins. Coverage	Ins. Cost
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
TOTAL				
FORM D				

White — Accounts Payable
Pink — Receiving
Green — Department Requesting