

Ferris State University
8 Steps to the Purchase of Products or Services

The following steps must be followed to purchase products and/or services:

1. Determine whether the vendor is a new or existing vendor. If you are not sure, use the FTIIDEN screen in Banner.
 - If the vendor is an existing vendor, proceed to Step 5.
 - If the vendor is a new vendor, proceed to Step 2.
2. Determine whether new vendor is a corporation (C-Corporations or S Corporations) or an individual (Sole Proprietor or LLC).
 - If the new vendor is an individual or corporation, AND is a current employee of the University, payment must be processed through Human resources using a PAF.
 - If the new vendor is an individual or corporation, AND is NOT a current employee, proceed to Step 3.
3. Complete an [Independent Contractor Determination Checklist](#) to determine whether the new vendor qualifies as an independent contractor or must be paid as an employee for purposes of your purchase of products or services. Send the completed form to Purchasing.
 - If Purchasing verifies that the vendor is qualified as an employee (by IRS definition), you must process a payment through Human Resources using a PAF. No other paperwork is required for Purchasing.
 - If Purchasing verifies that the vendor qualifies as an independent contractor for purposes of your purchase, proceed to Step 4.
4. If a conflict of interest is determined, please have the University employee complete a [Conflict of Interest Questionnaire](#) and send it to the Office of the Vice President for Administration and Finance. Proceed to Step 5.
5. If you are purchasing a product WITHOUT services, you may proceed directly to Step 8. Otherwise, proceed to Step 6.
6. All purchases of services (with or without the purchase of products) require an agreement (or contract) using one of the following agreement types. All of these agreements except the Short Form Service Provider Agreement require the vendor to provide evidence of insurance coverage. (For examples of insurance requirements, refer to the [Certificate of Insurance Coverage Recommendations](#))
 - The [Independent Contractor Short Form Agreement](#) may be used for speakers and entertainment contracts less than \$5,000.
 - The [Standard Service Provider Agreement](#) may be used for most other services (e.g. waste pick-up, photographic services); it must be used for all vendors who have employees.
 - A campus-wide contract is an agreement for products or services (e.g. bottled water, copier, printer, and typewriter repair, document shredding, beverages) for which Purchasing has negotiated and entered into an agreement on behalf of the University as a whole. Please contact the Purchasing Officer for available campus-wide contracts.
 - In some cases, the Office of the General Counsel may determine that the University's Standard Service Provider Agreement is not sufficient and a new contract should be created in-house.

- Some vendors will not use any of the University's agreements and instead require their own agreement to be used. All vendor-produced contracts must be reviewed in advance by the Purchasing Department, and may be forwarded to General Counsel for further review.
7. Complete the agreement and obtain your Department Head's signature. Then forward the agreement to the Purchasing Department to obtain the University's Contracting Officer's signature. Please refer to the [Contracting Authority Signature Delegation List](#) on the Purchasing Department's page under the Employee Information tab. After you receive the contract back from Purchasing, please send it on to the vendor for their signature and then send a copy of the fully signed agreement to Purchasing.
 8. Process the payment for the order.
 - A university corporate card may be used for the purchase of all products
 - The corporate card may also be used for all services with prior approval by the Purchasing Department. Please note that a limit change form may be required by the Disbursements Office prior to using the corporate card
 - Direct Pay may be used for purchases of products less than \$400.
 - Services must be purchased via requisition or corporate card with Purchasing Department approval

Remember:

- All purchases between \$10,000 and \$150,000 require at a minimum of three quotes in advance. A formal bid may also be used, or in some cases may be required.
- Purchases \$150,000 and over (\$250,000 and over for construction) require a formal bid, as well as approval by the President.
- Approval by the Board of Trustees is also required for all professional services \$50,000 and over, as well as all other purchases over \$250,000
- See [Purchasing Policy](#) for applicable dollar level approvals and other requirements