

NUMBER: BUSF 7.00
SECTION: Business and Finance

SUBJECT: Purchasing

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Policy for: All Campuses
Procedure for: All Campuses
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Issued by: Purchasing

I. Policy

The Purchasing Department has the authority and responsibility for procuring the requirements for all materials, equipment and services within the University System in accordance with the rules and regulations of the South Carolina Consolidated Procurement Code, as mandated by the South Carolina General Assembly, to the dollar limit certified by the South Carolina Budget and Control Board.

- A. The Purchasing Department obtains only the official requirements of the University System.
- B. The only persons authorized to procure the requirements of the University are Procurement Officers assigned to the Purchasing Department with the following exceptions:
 - 1. Petty cash purchases up to \$50.00 per purchase;
 - 2. Blanket order purchases that a specific individual(s) is authorized to a specified amount;
 - 3. Purchasing Card for supplies or services with a total value of \$2,500 or less (including taxes and shipping);
 - 4. Procurement activity authorized at the campus level.

Any other expenditure of University funds (including grant funds) shall be considered unauthorized and may become the personal responsibility of the individual making the transaction. Changes to existing Purchase Orders also constitute unauthorized procurements.

- C. Items on State of South Carolina term contracts require mandatory usage by State agencies in accordance with the South Carolina Consolidated Procurement Code.
- D. All agreements obligating the University must be reviewed and approved by the appropriate University official as specified in BTRU 1.04 policy. Additionally, all leases for real property must be reviewed and approved by the Director of Facilities Management.

II. Procedure

The following procedures are explained in greater detail in the Internal Departmental Manual for USC Purchasing Procedures.

A. Lead Time

Departments should anticipate their needs far enough in advance to allow Purchasing time to process requests in compliance with the South Carolina Procurement Code. The following are minimum time allowances:

1. Small purchases not exceeding \$2,500.00 may be accomplished within 1 to 3 days without competition if prices are determined to be "fair and reasonable" by the procurement officer.
2. Purchases from \$2,501.00 to \$10,000.00 require a minimum of three (3) to ten (10) days processing time with solicitation of written quotes from at least three (3) qualified sources.
3. Purchases from \$10,001.00 to \$50,000.00 will require a minimum of 10 to 21 days processing time. The Purchasing department will prepare a formal written solicitation as well as advertise the requirements in the South Carolina Business Opportunities publication.
4. Purchases exceeding \$50,000.00 will require a minimum of 21 to 60 days. The Purchasing department will prepare a formal sealed solicitation for issuance.

Contract awards in excess of \$100,000.00 require an additional ten (10) day Intent to Award Period before a purchase order can be issued.

Please remember that splitting of orders to avoid the above required competitive methodologies is NOT permissible. If a department has a requirement at a certain dollar level, the above appropriate actions are required initially. Splitting orders to avoid these levels causes audit problems and less than cost effective procurement activity.

B. Types of Procurement

1. Competitive

The requirements for goods and services are solicited using non-restrictive specifications via written quotations, sealed bids or proposals within the University's time frame, dollar limitations and the South Carolina Consolidated Procurement Code.

2. Sole Source

This kind of procurement is permissible only when there is a single supplier for the requirement(s). If the department has a valid sole-source requirement, it must request sole-source procurement by completely documenting these reasons with any back-up information that may have to justify the sole-source. Approval must be obtained in writing, through the Director of Purchasing and from the Vice President and Chief Financial Officer or the Director of Business Affairs prior to any commitment being made. If there is any reasonable doubt, competition will be attempted by the Purchasing Department.

3. Emergency Procurements

These procurements are performed when a situation or condition occurs which "creates a threat to public health, welfare, or safety such as may arise by reason of floods, epidemics, riots, equipment failures or fire loss". The existence of such conditions must create an immediate and serious need for supplies, services or construction that cannot be met through normal procurement methods and the lack of would seriously threaten:

- a. the functioning of State Government;
- b. the preservation or protection of property; or
- c. the health or safety of any person . . ."

In all cases, written documentation explaining the situation must be provided to the Director of Purchasing who will obtain approval from the Vice President and Chief Financial Officer or the Director of Business Affairs prior to any commitments being made. Additionally, the Code requires that "competition as is practical, be obtained" during emergency procurements.

C. Purchase Requisition

1. Fill in the Purchase Requisition form and include complete, accurate and non-restrictive descriptions and specifications to allow competitive solicitation by the Purchasing Department.
2. Gather all required information and signatory approvals before forwarding the requisition form to Purchasing.

3. Any requirement acquired on grant funds must have the approval of Contract and Grant Accounting before processing by Purchasing.

D. Direct Expenditure Voucher (DEV)

This form is designed for the processing of payments which would be impractical to handle via a purchase order. In most cases these should be less than twenty five hundred (\$2,500.00) dollars unless the requirements for competitive procurement have been adhered to.

1. Departments must provide an original invoice with the Direct Expenditure Voucher form when submitted. The following are some examples of items that should be paid by Direct Expenditure Voucher: postage, freight and express bills, subscriptions, memberships.
2. When using the Direct Expenditure Voucher for payment of contractual services, payments for services rendered by an individual USC faculty or staff member are not to be paid via the Direct Expenditure Voucher. The proper method for obtaining payment in these cases is through the Classification/Compensation Office of Human Resources.
3. If a USC faculty or staff member is a principal owner of the business association performing these services, the name(s) of those involved must be provided and approved by the Classification/Compensation Office on all funds to be expended.
4. Any grant specified and approved requirement(s) must have the appropriate documentation attached to substantiate the expenditure from the sponsored program account.
5. Any requirement acquired on grant funds must have the approval of Contract and Grant Accounting before processing.

- E. The Purchasing Card is a Visa credit card issued by Bank of America. It is a purchasing tool which offers an effective method for purchasing and paying for supplies with a total value of \$2500.00 or less.

With the approval of the department head, a purchasing card will be issued to an individual (there are no department cards) who must be a University employee. Each card will have a default University account number and class code. Each card has set parameters as to monthly credit availability (\$5000.00) and single transaction amount (\$2500.00). There is a departmental liaison assigned to each credit card with authority to change the account charged if necessary. Software is provided to the liaison to process all changes as well as monitoring expenditures. Training is required for both the cardholder and departmental liaison prior to receiving a purchasing card.

All documentation of purchases (sales slips, receipts, packing lists, etc.) and monthly statements must be reconciled and maintained for internal and external audit. The Purchasing Department will pay the purchasing card charges each month and, by electronic upload, all charges will be made against the accounts specified by the liaison for each card.

F. Unauthorized Procurements

All commitments for goods and services other than those outlined in Section IB must have the prior approval of the Purchasing Department. Those that do not may be considered unauthorized procurements.

If a change in the quantity or dollar amount of an existing Purchase Order is required, it must be approved by the processing procurement officer before the change is made. Corrective action for ratifying an unauthorized procurement is to request in writing through the Vice President and Chief Financial Officer that the President of the University approve the unauthorized transaction based on the written documentation provided. In cases where this approval is not granted, it will become the personal responsibility of the individual who made the transaction.

G. Contracts and Leases

Departments must obtain approval from the Secretary to the Board of Trustees for contract agreements and approval from the Director of Space Utilization and Property Management for leases before forwarding contracts or leases to Purchasing for processing (see BTRU 1.04).

H. Blanket Orders

A department may request blanket orders when it makes numerous, repeated small orders from the same vendor. The order will have a daily and fiscal year limit, and the requesting department must monitor these expenditures.

I. Petty Cash

If a department has an official requirement costing less than fifty dollars (\$50.00), the item(s) may be obtained from personal funds and reimbursed by the Purchasing Department. The individual requesting reimbursement must bring a completed USC Purchase Requisition form accompanied by a receipt for the item(s) to the Purchasing Department during normal University working hours. If a department finds that it has a large volume of cash reimbursements, it should request approval and establishment of a departmental petty cash fund from the Controller's Office (See BUSF 2.18).

J. Demonstration of Equipment and/or Instrumentation

Should any department foresee the need to have any on campus demonstration of any equipment and/or services, it should be coordinated through the Purchasing Department prior to the demonstration.

III. Reason(s) for the most recent policy change

To ensure compliance with the South Carolina Procurement Code and reflect increases in transaction amounts.

Send comments to [Venis Manigo](#)