

Purchasing Handbook

If you are new to Marshall, welcome aboard!

You are part of a University with a proud tradition and a great future. You also join a select group of men and women dedicated to giving their best to Marshall. Whether you are new or not, this handbook is designed to guide you through the University's purchasing process.

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OVERVIEW

The Office of Purchasing

The Marshall University Office of Purchasing maintains a central purchasing office that assists faculty and staff with the acquisition of goods and services. The purchasing office is responsible for academic, support, medical education departments of the University and the Marshall University Research Corporation. To give you the best possible service, one person will be assigned to your department.

Other Information

For further information about the purchasing process at Marshall, consult the Purchasing web site and the Banner web site.

PURPOSE

Purchasing exists to serve you, our customer. Our primary goal is to buy what you need as quickly and efficiently as we can at the best price from a responsible vendor. Very simply, we are here to help you get what you want for your department. Additionally, the office is the liaison between the University and Vendor communities.

AUTHORITY TO PURCHASE AND OBLIGATE FUNDS

West Virginia State Code vests the Board of Governors with the authority to purchase and acquire materials, supplies, equipment, services, construction and printing for the State's colleges and universities. Authority is also given to the Board to set purchasing policy and prepare rules and regulations. Marshall University's Office of Purchasing adheres to the Marshall University Board of Governors (MUBOG) FA9 Purchasing Policy. In accordance with the procedures, the President of the University appoints the Chief Procurement Officer (CPO) and Director of Purchasing. The CPO is responsible for the procurement of all goods and services for Marshall University.

All of the guidelines and directives governing University purchasing policy are described in detail in State law, the Marshall University Board of Governor's FA9 Purchasing Policy, the University's Green book, MURC purchasing guidelines and this handbook.

The University's procurement officers and CPO delegated designees are the only individuals authorized to effect and sign non-credit card and non-essential service purchases, and agreements or contracts for Marshall University. Faculty and staff outside of Purchasing may not obligate University funds, regardless of source. The Attorney General, the Audit Division, and the Department of Finance and Administration only accept purchasing documents signed by procurement officers. Only University procurement officers or designees may issue confirming orders to vendors.

Although the University is essentially its own manager in purchasing, numerous special instructions are often directed by outside agencies such as the Governor's Office, the Attorney General's Office, the Board of Governors, WVNET, or the Auditor's Office. Both Purchasing and University departments are required to follow these guidelines.

DELEGATED AUTHORITY

For better management of both the budget and purchasing processes, it is highly desirable that one person in the department be responsible for submitting purchase requisitions. It is the responsibility of the department to accurately include all necessary accounting and purchasing data on the electronic requisition form.

Accounts Payable has delegated authority to approve encumbrance documents for specific services. Departments have delegated authority to spend on the purchasing card for procurements less than \$10,000.

Revocation of Delegated Authority

The Chief Procurement Officer may revoke delegated authority to an individual or department at his or her discretion. When delegated authority is revoked, the Chief Procurement Officer shall, in writing, notify the State Auditor of the effective date of revocation.

ETHICS

West Virginia Governmental Ethics Act

The [West Virginia Governmental Ethics Act](#) is applicable to all purchasing and receiving activities performed under the jurisdiction of the Governing Board.

Ethical Provisions of NAEP

INTERNAL PURCHASING AUDITS

The Chief Procurement Officer may provide for an independent audit of the University's Procurement Services function, and for any delegations of purchasing authority. The Chief Procurement Officer may also carry out the audit at the request of the President, or the Senior

Vice President of Operations / Chief of Staff. The audit will be documented in an internal report and provided to the University Auditor.

PROMPT PAYMENT

Vendors can expect prompt payment of invoices in accordance with §8-13-22d of the West Virginia Code. Payment of legitimate uncontested invoices; interest on late payments; "Prompt Pay Act of 1995.

AFTER-THE-FACT PURCHASES

Purchases made without the prior approval of Purchasing are unauthorized purchases and become the personal responsibility of the person making the purchase. Known as "after-the- fact" purchases, they will require an explanation and justification that will be subject to approval. Those less than 30 days old will be reviewed by the Director of Purchasing. Those that are more than 30 days old will be reviewed by the Chief Operations Officer and also be approved by the appropriate departmental dean or higher level administrator.

Original letters, e-mails, or faxed correspondence will be acceptable. Letters of Justification must:

1. Explain why University policy was not followed
2. Describe efforts instituted to preclude it from happening in the future.

Any person who is not authorized to approve a purchase or contract, or who does so in a manner that is in violation of state law may be held personally liable for the cost of such purchase or contract as provided in state law. Purchases or contracts violating state law shall be void and of no effect.

EXPLANATIONS FOR NON-COMPETING OR NOT ACCEPTING THE LOW BID

An explanation is required from the department whenever they choose not to accept the low bid/Quote or desire a sole source purchase over \$25,000.

A letter of explanation is expected from the department whenever the department has failed to utilize one of the procurement alternatives. If the situation was such that they could have "worked within the system" and did not, they have violated University policy and may be held personally accountable for obligating the University. Letters of justification for "after-the-fact" purchases less than 30 days old will be reviewed by the Director of Purchasing. Those that are more than 30 days old will be reviewed by the Senior Vice President of Administration and also be approved by the appropriate departmental dean or higher level administrator.

PRE-PURCHASE ENCUMBRANCE OF FUNDS

West Virginia state law requires that all expenditures be made within the limits of available appropriations and funds relating to expenditure schedules and quarterly allotments. Funds must be encumbered in advance of any purchase, agreement or contract being awarded. Exceptions require the prior approval of the Chief Financial Officer or designee. Estimates are encouraged.

FUND SOURCES

All funds deposited with the University, regardless of source, are University funds and must be managed in accordance with University policy. There are generally four kinds of funds at the University: State appropriated, State special appropriated, Federal grant and private funds in the Marshall University Foundation or Research Corporation. Each fund may have different expiration dates or other spending restrictions.

VENDOR REGISTRATION

In accordance with West Virginia State Code, every person, firm or corporation selling goods or services to the University in excess of \$25,000 per order must complete and file a Vendor Registration and Disclosure Statement (Form [WV-1](#) or [WV1A](#)) with the State Purchasing Division. A Vendor only has to register once. However, if the ownership, services offered or organizational structure change, the vendor must update the original registration by filling out a new form. The registration must be received by the State Purchasing Division in Charleston prior to award of a bid.

When registering, the Federal Employer's Identification Number (FEIN) of the firm or partnership must be given. If the registrant is an individual, his or her Social Security number must be supplied. After the form is completed, it must be signed, notarized and filed with the State Purchasing Division.

A vendor may obtain a registration form by contacting the University's Office of Purchasing or the State Purchasing Division. Also each fiscal year, vendors who have completed the WV-1 must pay a fee to the State. Vendors supplying sole source commodities are not required to pay the annual fee but must complete the WV-1A registration form.

PURCHASES FROM WEST VIRGINIA VENDORS

It is the policy of the Office of Purchasing to purchase as many goods and services as possible from West Virginia vendors. Departments are actively encouraged to support this policy for the benefit of these vendors and the State's economy. Departments are especially encouraged to buy from state vendors who are minority, small, woman-owned, or disadvantaged businesses.

FORMS

There are several forms used to initiate the purchase of goods and services for the departments at the University. The following Marshall University forms are essential documents for the purchase of certain services, supplies or equipment. Instructions for completing these forms are provided with the form. These forms can be downloaded from the forms site.

PROCUREMENT OPTIONS

Electronic Requisition - This form, accessed in the Banner module under the form name "FPAREQN" is used to request certain supplies, equipment, services, repairs or contract items. A requisition is a document that is usually required to initiate the purchasing process. It can result in the issuance of a Request for Quotations (RFQ), a Request for Bids (RFB), a Request for Proposals (RFP), or a Request for Expressions of Interest (EOI) or occasionally, a Request for Information (REI). Lastly in the issuance of a purchase order to a vendor. Along with other required information and signatures, a requisition shall contain suitable specifications.

When a need develops to purchase goods or services, a requisition should be prepared and forwarded to Procurement Services with the required approval of the originating department.

Agreement ([BOG 48](#)) - This form is used to purchase the technical and professional services of individuals or companies, other than repairs, when the vendor does not provide his or her own contract forms.

Request for Hospitality Services and Temporary Space ([MUBOG 3.0](#)) - This form is used to document hospitality expenses such as food, beverage and meeting room expenses.

Agreement Addendum ([MU96](#)) - This form is signed by the vendor and must be attached to all maintenance agreements, contracts or purchases which include "terms and condition."

Software Agreement Addendum ([MU96A](#)) - This form is signed by the vendor and must be attached to all software agreements which include "terms and condition."

When completed, these forms become both legal and technical documents. All typing must be neat, accurate and within the margins of the forms. Since these forms reflect the image of you, Marshall University and the State of West Virginia, improperly prepared forms may be returned for correction. All paper forms submitted to Purchasing must be typed.

THE PURCHASING PROCESS

Credit card and essential service purchases shall be used to the maximum extent possible. All other purchases will be entered as electronic requisitions. All requisitions received by Purchasing are processed similarly. When received, each is reviewed for accuracy and completeness.

Erroneous or incomplete requisitions may be electronically disapproved and returned to the department for correction. The remainder is approved for purchase by the appropriate purchasing representative. Normally, this complete process requires no more than 3 days without bids, and about 18 or more days if written bids are required.

TURN-AROUND-TIME

Nearly always, excellent and timely processing of any electronic requisition can be achieved. Contract or non-competitive orders are usually released in 2-3 working days. Competitive orders over \$25,000 may receive faxed or verbal bids; those over \$50,000 must be bid in writing for a minimum of 5 days but 14 days is preferred; normally the total processing time is about 18 days or more for bids and 30 or more days for Proposals.

UNIVERSITY PURCHASING PLANNING CALENDAR

For planning purposes, University departments are encouraged to adhere to the following purchase schedule:

March (first work day) - Renewal of contract letters requested. This process will be initiated by the purchasing representative. Departments will receive letters asking them to start the renewal process or prepare specifications to rebid the contracts.

April (first work day) - By this date, all requisitions should be submitted for purchases that have to go out for bid; i.e. non-contract purchases.

May (first work day) - This is generally the final date each fiscal year when non-emergency purchase requisitions will be accepted.

June (first week) - The new fiscal year numbering system is turned on and departments may process requisitions for items delivered after June 30th by entering the requisition transaction date as July 1st.

These dates have been established to allow Purchasing to begin and complete the procurement cycle. This can include bid periods of 30 days on certain purchases, time to allow for any approvals required by the Attorney General's Office, lead time by the vendors, and any other steps required in the process.

PURCHASING THRESHOLDS

EQUIPMENT (unit price 5,000 and up) Equipment purchases must be routed through the University procurement system, (Banner).

PURCHASING THRESHOLDS

LESS THAN \$25,000

Purchases totaling less than \$25,000 do not require competitive bidding. Competitive bids or quotations are not required but are encouraged. The department is encouraged to request or choose to check prices with other vendors. Procurement less than \$10,000 will usually be initiated by credit. These procurements will be verified for price reasonableness.

GREATER THAN \$25,000 but less than \$50,000

Non-contractual purchases for more than \$25,000, (\$50,000 for construction/renovation), require quotations unless it is a sole source procurement. Quotations are solicited from at least three vendors, unless otherwise noted. After the lowest responsible quote is determined, the award is made. The vendor receiving the award is notified of the award by receipt of an approved, signed purchase order. All quotations must be signed by the vendor.

GREATER THAN \$50,000

Non-contractual purchases for more than \$50,000, (*\$100,000 for construction/renovation), additionally require that the request be advertised. All bids over \$50,000 are issued by and posted in the Office of Purchasing. If the bid is over \$50,000 it is published as a legal notice in one local newspaper at least five (5) days, (preferably 14 days), before the bid opening. Bids are solicited from at least three vendors and always include the department's suggested vendors. The bids must state an opening date and time. All bid openings are open to the public and may be attended by any interested party. After the bids are read aloud and recorded, they are evaluated by a purchasing agent and when necessary, by the using department. After the lowest responsible bid is determined, the award is made.

However, certain awards may require further approval. The vendor receiving the award is notified of the award by receipt of an approved, signed purchase order.

SOLE SOURCE AND SINGLE SOURCE PROCUREMENTS

Generally, departments may not obtain their own bids. If only one known vendor can provide the goods or services, the department must submit a letter of explanation along with the vendor's statement of sole/single source availability. These source purchases must be verified by the Office of Purchasing. Purchases which are non-credit card and non-essential services will be initiated on an electronic requisition form in Banner.

WRITING A SPECIFICATION

The specifications contained on a purchase order represent a combination legal document and technical paper. Specifications determine the quality level and basis for evaluation of bids and should be reviewed each time they are used. If your order is for items with special qualities, make specific references to the special requirements.

The following guidelines should be used in writing the specifications for your order:

- Identify the minimum functional requirements necessary to accomplish your tasks.
- Allow for competitive bidding (don't be restrictive to certain brands unless a compatibility requirement has been established).
- List criteria on which each bid will be judged for compliance with specifications.

Although the specifications must be written to allow competitive bidding, this does not mean that the University must accept all bids regardless of quality. Items which are below the minimum quality level may be rejected on that basis. However, the specification set the minimum acceptable quality. The low bid that meets this level must be accepted in most instances. It is, therefore, necessary that the specifications be clear and concise, as all awards and justifications will be based only upon those written on the request for quotation.

The most common type of specification used is a name brand or "equivalent" type. This type of

specification uses a manufacturer's name and catalog number and provides for the submission of equivalent products. When writing this type of specification, it is incumbent upon the writer to list the characteristics of the item being ordered so that the proper evaluation of any alternatives can be made. Rejection of low bid because it does not have characteristics not specifically listed, even though the catalog number on the item specified might indicate those characteristics, is difficult.

There are several sources from which you can obtain specifications. They include: catalogs, vendors, technical societies, associations of user manufacturers and the Marshall University Office of Purchasing. If you are unaware of something, contact your Purchasing Representative before submitting the requisition. This can avoid processing delays. If an omission or error is discovered in specifications after the bid is opened, this can result in all bids being rejected and a revised bid being issued, which takes more time and effort.

SOLE SOURCE PURCHASES

When an item is available from only one source and costs more than \$25,000, an order may be placed without competitive bids if written justification is provided. A requirement for a particular proprietary item does not justify sole source procurement if there is more than one potential seller for that item. The following are examples of circumstances which could necessitate sole source procurement.

Where the compatibility of equipment, accessories, supplies, or replacement parts is the paramount consideration;

Where a sole source supplier's item is needed for trial use or testing;

Where a sole source supplier's item is to be procured for resale;

Where public utility services are to be procured;

Where specific items are called for on a grant or contract;

When there is only one vendor who can provide the material.

For sole source purchases over \$50,000 a signed quotation must be obtained from the vendor.

ESSENTIAL SERVICES

Essential services are non-competitive goods and services bought by departments and paid by Accounts Payable without a purchase order. Authorization to make payment is a responsibility of the department with payment affected through the use of credit card up to the credit card limit or the general encumbrance form in Banner.

Note: There is no dollar limit to essential services.

Only goods and services that are non-competitive are included as essential services. The essential services list can be found on the Office of Purchasing website.

Please note that if the items include terms and conditions as a condition of sale, service, or purchase, they must be reviewed and approved by Purchasing prior to release. Submit such orders on an electronic requisition and forward the attachments to Purchasing for final processing.

Individuals who fail to adhere to these University policies may be held liable in accordance with 18B-5-6 of the West Virginia Code.

NOTE: The above are applicable currently only to University purchases and do not include Research or Foundation policies or procedures.

PURCHASING ALTERNATIVES

A major goal of the Office of Purchasing is to provide alternative purchasing methods which preclude "after-the-fact" documentation of purchases of goods and services. Within the constraints of both State law and the MUBOG Policy FA9, it is possible for a department to properly process nearly all purchases of goods and services in advance of the need. If one of the alternatives discussed below does not seem appropriate to your particular situation, please call your purchasing representative.

CREDIT CARDS (PCARD)

University departments are expected to use the State purchasing card to the fullest. Although some purchases are restricted, the card is generally available for most purchases up to \$10,000 per transaction. This program is administered by Accounts Payable. For more information, contact Accounts Payable.

USE OF VENDOR ACCOUNT NUMBERS

Hundreds of Marshall's vendors establish an account number to identify the University as a customer in their computer databases. In most cases these account numbers identify the University's discount schedule, "ship-to" locations and billing addresses. In no instance may these account numbers be used as charge accounts. Departments are always expected to make their purchases using the University's State Purchasing Credit Card or by submitting a requisition or encumbrance document through Banner.

EMERGENCIES, CONFIRMING ORDERS AND CUSTOMER PICK-UP

Occasionally, emergency orders, repairs, or some other critical situation occurs where it is not practical to type a purchase order in advance. Failure to plan ahead is seldom accepted as justification for an emergency or confirming order. However, when justified, the Purchasing staff can call a vendor and place the order over the telephone. This is known as a "confirming order". Departments are expected to electronically walk through a requisition before the order can be placed. Confirming orders may not be placed by departmental personnel.

EMERGENCY PURCHASES

Emergency purchases may be made only when there exists a threat to public health, welfare, or safety such as may arise by reason of floods, epidemics, riots, equipment failures, or to meet bona fide emergencies arising from unforeseen causes, including delays by contractors, delays in transportation, and unanticipated volume of work, provided that such emergency procurements shall be made with such competition as is practicable under the circumstances. A written letter of justification explaining the basis for the emergency and for the selection of the particular contractor must accompany the requisition. Emergency procurement shall be limited to those supplies, equipment, services, or construction items necessary to meet the emergency. Such competition as is practicable shall be obtained.

CUSTOMER PICK UP

Often it is desirable to pick up supplies and equipment directly from a local vendor and give the vendor a purchase order at the same time. Such purchases can be "walked through" electronically. After approval by a purchasing representative, the vendor's copy is given to the individual for pick up at the store. If equipment costing \$5,000 or more is purchased in this manner, it must be taken to the Receiving Department for inventory tagging. Please note that this routine may not be used as a means for the department to call in an order to a vendor. Only the purchasing personnel may call vendors with purchase orders.

CONTRACT RELEASE PURCHASES

Marshall University utilizes State, WVNET, GSA, Consortia and University contracts that offer a guaranteed price for specific items for a specific period of time. In addition, Purchasing has E&I Cooperative Service contracts which may be used for purchases. The advantage of contracts is convenience. Orders for any amount can be placed without going through the standard bid procedure. Repetitive purchases are those items that best lend themselves to contracts, such as: oil, tires, lumber, medical supplies, lab supplies, paper, and office furniture. A current listing of vendor contracts for supplies and equipment is maintained on Purchasing's web site. For more information on these contracts, contact Purchasing.

CANCELLATIONS

Purchasing enters into numerous contracts for the departments. These may include rental agreements, service agreements, consulting agreements, open-end contracts, and maintenance agreements.

CANCELLING CONTRACTS

To cancel contracts, vendors must be given 30 days written notice. Orders may be cancelled in less time only when the vendor gives cause and breaches the contract or order. Whenever an order must be cancelled, e-mail the appropriate purchasing representative.

CANCELLING/CHANGING PURCHASE ORDERS

When it is necessary to cancel a purchase order completely or some portion of it, the department may request cancellation via a memorandum or e-mail to Purchasing. Changes to orders may be done similarly. It is essential that the memorandum clearly state what must be changed or cancelled. Please provide a reason for the cancellation or change, and reference the vendor's name, purchase order number, and the Banner fund.

AGREEMENTS

These special contracts allow departments to purchase services, other than repairs, that are unique or special in nature. However, if the services are competitive and exceed \$50,000, they may be bid. Exceptions will be considered upon submission of a letter of justification.

MAINTENANCE AGREEMENTS

The request for a maintenance agreement for equipment is to be submitted on an electronic requisition when there are terms and conditions present. The make, model, serial number and University tag number for the equipment must be stated. The maintenance agreements and addendum (MU96) must be signed by the vendor first. Purchasing will sign for the University. Payments for maintenance can be made only after the services have been performed. If stated in the

agreement, these payments may be made periodically as maintenance is performed. Dates of service should be kept within the State fiscal year of July 1 through June 30 whenever possible. Use the appropriate account code on all maintenance agreements. All other maintenance agreements may be processed as an essential service.

ADDENDA FOR AGREEMENTS: (MU-96) and (MU-96A)

Many purchases from vendors are qualified by additional terms and conditions. Often these appear on the back side of quotations, maintenance agreements, and software licenses. In each instance the vendor's terms and conditions must be modified in order to conform to West Virginia law. Modifications are accomplished through the MU-96 Agreement Addendum or the MU-96A Agreement Addendum for software, which can be downloaded from the forms site.

TYPES OF PROCUREMENTS

ARCHITECT/DESIGN SERVICES

Architectural, engineering, and other consultant services where the project is in excess of \$625,000 shall be procured through an Expression of Interest. This amount is determined when the architect/design fees are at 8% or \$50,000.

CAPITAL PROJECTS

Capital improvement projects with an estimated total cost of \$750,000 or less shall be managed by the University. A project which, in the aggregate, exceeds \$750,000 is subject to formal MUBOG approval and may not be broken into component parts of less than \$750,000 to avoid such approval. In accordance with MUBOG FA-11

CARPET ORDERS

Requisitions for carpet against a contract must have a quote and floor layout from the vendor attached; Hallways, lobbies and public areas must have the Fire Marshall's approval attached.

COMPUTER PURCHASES

All computers must be purchased through the established contracts when using State, Foundation, or MURC funds. Standard configurations for computer purchases are available on the Marshall Website. ONLY standard configurations may be purchased. If you have a special requirement to purchase computers other than the standard configurations please email your requirements and proposed system configurations to the Information Technology technical review group for prior review, consultation and approval. Allow five (5) business days for review.

CONSTRUCTION AND RENOVATIONS

No individual, department or other entity may make alterations to University facilities without the express written authorization of the Chief Administrative Officer of the University or his/her designee. Additionally, no individual, department, or other entity may initiate alterations to classroom facilities without receiving the express written authorization of the Chief Administrative Officer of the University or his/her designee, regardless of the source of funding. Capital Projects are managed by the University's Facilities Planning and Management Office. Renovation requests will be sent to the Physical Plant Department.

CONSULTANT OR PROFESSIONAL SERVICE

Does the requested professional or technical service lend itself to competitive bidding?

Yes –

If over \$25,000, Quotations are solicited from at least three vendors, by the department or the Office of Purchasing; submit BOG-48 to vendor for signature if vendor does not have own contract form

If over \$50,000, submit requisition describing requested service; 14 day bidding cycle required

Appropriate forms prepared by Purchasing?

No –

Submit BOG-48 to vendor for signature if vendor does not have own contract form; upon return of BOG-48, complete requisition

If greater than \$25,000, attach letter explaining why service is sole source

Charge the services to the appropriate account code.

Special Note: The contractual services of Marshall University faculty and staff must be paid through Payroll regardless of the amount. (See Independent Contractor section)

HOSPITALITY AND FOOD SERVICES

All food items must be purchased from the University's contracted Food Service Provider. All food service events must be formally scheduled through the Facilities Scheduling Office.

Retirement receptions, awards, faculty and staff receptions, and working lunches or dinner meetings will not be approved as a legitimate use of State funds when they are solely for the benefit of University employees.

The Request for Hospitality Services and Temporary Space (MUBOG 3.0) form is required for all hospitality events and should reflect the entire cost of the event to include food and beverage, meeting room rental, and service charges. Also, state the purpose and justification, what is being provided, and a list of the participant's name and if applicable, the 901 ID number. Submit the form to Accounts Payable with the shell record or encumbrance "E" number annotated on it.

Please keep in mind that the food service contractor at Marshall cannot accept a catering order without a "P" card or purchase order number. Moreover, the contract vendor has exclusive catering rights on campus.

HOSPITALITY POLICY

Expenditures for hospitality are defined as food, non-alcoholic beverages, and related expenses for guests who are not employees of the University.

At Marshall University, it shall be official policy that University state funds may be used for food, beverage, and related expenses only in the following situations:

Meetings, seminars, conferences, etc. where Marshall is the host and the primary benefit of the event accrues to the outside participants. In each instance, attendance by Marshall Employees is only incidental; that is, those attending from Marshall are acting primarily as hosts or in a limited capacity as attendees (employees generally should not outnumber guests).

Candidate interviews when the hospitality expenses are not for personal or social purposes.

General hospitality for student functions that is primarily for the benefit of or on behalf of the students; such events generally are paid for from student fee accounts.

Hospitality expenditures required by a grant or contract as part of the overall purpose of the grant or contract.

Generally, University state funds may not be used for hospitality expenses in the following categories:

Faculty or staff meetings where a meal or doughnuts and coffee would be served;

Receptions, departmental open-houses, parties for other than students, and other social events;

Going away or retirement events;

Recognition functions where plaques, trophies, or other awards are given to an employee;

In conclusion, University policy suggests that prudent use of University funds should always be the uppermost consideration.

To comply with current standard Department of Administration requirements, University departments will continue to submit the completed MUBOG 3.0 Hospitality Request Form to Accounts Payable with each encumbrance.

For answers to questions regarding hospitality expenses, please call your purchasing representative.

INDEPENDENT CONTRACTOR OR EMPLOYEE

The Internal Revenue Service (IRS) segregates workers into two categories – employees and independent contractors. Employees have an ongoing relationship with their employer and are paid through the University payroll system. Independent contractors provide particular services to the general public and are paid by the job. Payment to them is made through the University procurement system. IRS regulations require that the independent contractor status be verified. Please insure that this verification is accomplished prior to any service being performed.

Determination of Independent Contractor Worksheet Independent Contractor Declaration

The Famous 20 Factors

International Independent Contractors

PRINTING SERVICES

All departments are reminded to procure printing services through the Marshall University Printing Services Department. Printing services includes Printing, Copying, Designing, Binding, Business Cards, Letterhead, etc. Work requests may be accessed on the Printing Services website.

RADIOACTIVE MATERIALS

All requisitions for radioactive materials must be approved by the University Radiation Safety Officer prior to forwarding to Purchasing. Also, all shipments must be received through the appropriate receipt department for hazardous materials. NOTE: Telephone orders for radioisotopes are not

permitted.

REPAIRS TO EQUIPMENT

Repairs to office, scientific, or educational equipment require the issuance of an approved University purchase order or paid by credit card. This includes equipment which must be shipped back to the vendor for repair.

When equipment is repaired on-site, the department must prepare a requisition and process it through Purchasing. Unless otherwise noted, orders that contain labor charges are no longer paid by P-card. If the vendor requires a confirming order number before the service call will be made, please advise your purchasing representative. Although the exact charges may not be known, please estimate the charges. List estimated charges as two separate items, one for labor and one for parts. Note: The department is solely responsible for all charges.

Should the equipment require off-site repair, contact the supervisor of the appropriate University Receiving Department. Proper packing of the equipment for shipment is the responsibility of the department. However, the supervisor of the Receiving Department can coordinate all other shipping arrangements. Again, a requisition must be prepared in advance to cover repair and shipping costs. If the exact charges are not known, an estimate is acceptable. Please include the serial number of the equipment, the University tag number, the building and room number, the name of the contact person, and a brief description of the problem. Forward the electronic requisition to Purchasing. Please note that the Receiving Departments will not ship any equipment to a vendor for repair until they receive the vendor's copy of the order signed by purchasing.

Departments are responsible for getting the packages to Receiving.

LEASES

LEASED EQUIPMENT and SPACE

Leases and other instruments entered into by the University that exceeds \$1 million over the lease term must receive prior approval of the Governing Board. Leases costing less shall be approved by the Senior Vice President for Operations / Chief of Staff.

LEASED SPACE

Prior approval is not needed if the request for space meets the following criteria:

- The space requested is not for use as office space;
- The use of the space is for a period of six months or less;
- The total rental amount is less than \$10,000 for the event or use during the fiscal year;
- There is no contract, rental agreement, etc. to be signed;
- The delegated authority to lease temporary space by the spending unit has not been revoked.

For all other space leases, consult with your purchasing representative.

LEASED EQUIPMENT

To convert leased or rental equipment to purchase, the State lists these conditions:

- Original lease must have been competitively bid
- Department must justify economics of conversion
- Equipment must have been "in place" for 1 year
- Payback must occur in 1 year or less

LEASE OR LEASE/PURCHASE OF CAPITAL FACILITIES AND EQUIPMENT

Approval by the Marshall University Board of Governors (MUBOG) is required whenever the institution desires to lease or lease/purchase capital facilities or equipment. (In accordance with MUBOG FA-11 policy statement)

RECEIVING/SHIPPING/INVENTORY CONTROL

Physical Plant Receiving is responsible for the receipt of goods, the delivery of supplies and equipment, and the inventory control of all equipment owned by the University.

RECEIVING DEPARTMENT

The Physical Plant Receiving Departments operates a delivery service. The objective of this service is to deliver supplies and equipment to the requesting department. Packages will not be released or delivered until an approved purchase order or shell record has been received. In order to maintain this level of service, it is not practical to pick up materials for departments and deliver them to other locations on campus. Personal packages will not be shipped to an individual on campus and are the sole responsibility of the individual. Security and delivery are not provided by the receiving

departments, for State supported resources may not be used for private purposes. Before you call the Receiving Department to check on the status of a shipment, please call the vendor and confirm that the material has been shipped. Also, be prepared to give Receiving the appropriate purchase order number, encumbrance number, or credit card order information.

When supplies and equipment are received at the University, receiving personnel inspect the material and report the receipt of material to effect payment for the goods. For this reason, it is extremely important that all purchase order goods come through Receiving.

Problems can occur when receiving material. They generally fall into one of these three categories:

Over shipments: If more material is received than ordered and you wish to keep it, a change order memorandum is required by Purchasing. If a vendor error resulted in the over shipment, then the vendor bears all costs associated with returning the material. If you have not already been contacted by Receiving, please contact the Receiving Department Supervisor and purchasing representative to coordinate disposition or resolution of the over shipment.

Damaged goods: Normally, visible damage is detected and reported to the vendor by Receiving. If you find hidden damage after signing for the material, please contact the Receiving Supervisor immediately. Do not use any of the items and save all packing material.

Incorrect material: If something other than what you ordered is received, the Receiving Department will contact you. If you want to keep the material, a change order memorandum is required, or Receiving can return the goods for you. Material incorrectly ordered by the department may result in restocking and shipping charges which the department must pay. The return of such material must be coordinated by the department with both the purchasing representative and Receiving Department Supervisor.

OUTBOUND SHIPPING

The Receiving departments at the University can coordinate the shipment of outbound goods. Express deliveries are offered through UPS. Shipping charges are expensed back to the department at the end of the month. Packages must be taken by the department to Receiving before 3pm for same day pick up. Departments shall set up their own accounts with Fed Ex and Airborne.

If equipment is being shipped to a vendor for repair or simply being returned, the department must use the credit card or prepare an electronic encumbrance in advance to cover the estimated shipping charges. Packing or crating of equipment is the department's responsibility. However, Physical Plant may be able to assist you. They may also deliver the equipment to Receiving for shipment from the University. A special encumbrance is not required for shipments via UPS.

Regardless of the situation, any outbound shipments or returns of goods to vendors must be accompanied by the appropriate documentation. A letter inside the package addressed to the vendor is always a good practice to explain the situation. If the vendor is authorizing the return of the material at no charge, the department should get a "return authorization" number or form from the vendor. If the vendor is paying the freight charges, the department should share this information with Receiving. If the vendor will issue a UPS "call-tag", Receiving also needs to be aware of this. Otherwise the outbound UPS costs will be charged to the department.

SHIPPING ADDRESS

Shipments of supplies and equipment shall be made to one of the University's receiving departments. Order forms attached to requisitions must reflect these addresses, too. Changes in the "ship to" address must be approved by the appropriate Supervisor of Central Receiving.

SUPPLEMENTAL RECEIVING REPORT REQUIREMENTS

Receiving reports are required for all commodities that are not strictly services. The receiving report shall be an internally-generated document, either written or prepared using electronic media that identifies commodities received.

At Marshall University and its campuses, the following procedures will apply:

To the maximum extent possible, all shipments of commodities will be routed through Receiving. Vendors may not deliver directly to departments without the approval of the appropriate Receiving Department supervisor.

Reporting requirements for P-card purchases will continue to be a function of Accounts Payable. Certification of receipt will be accomplished on the form developed by that office.

Deliveries of "essential services" commodities, which are ordered on "E" documents through the Banner Finance software, should be made through a University Receiving Department. Its staff will prepare, sign, and date the appropriate receiving report and forward it to Accounts Payable for processing with the invoice.

Should "essential services" deliveries be made directly to a department, the person receiving the commodities will sign and date the packing slip, or reasonable facsimile thereof, and forward it to the appropriate Receiving Department. If there is no packing slip with the shipment, the department will use the form developed for that purpose by Accounts Payable. If the word "invoice" appears anywhere on the packing slip, the department will block it out prior to sending it to Receiving. Once Receiving gets the packing slip or form, it will be countersigned, dated, stamped "Receiving Report," and sent on to Accounts Payable.

Packing slips may also be used to report the receipt of commodities ordered against University purchase orders. If no packing slip is available, Receiving may generate a screen print of the Banner electronic receiver. Either form may be stamped, signed, and sent on to Accounts Payable.

Provisions have also been made designating certain personnel in the University libraries as authorized receivers. They have been directed to follow the above procedures also in order to generate the required receivers for Accounts Payable.

INVENTORY

All inventory purchased by the University and the Foundation becomes University property upon receipt. Items costing more than \$5,000 and having a useful life of one year or more are considered equipment for inventory purposes. The security of University equipment is the responsibility of the department possessing physical control. Ultimately, it is the department administrator who is responsible. If equipment is moved from one room or department to another, the department administrator must notify the receiving department to update inventory records. Yearly, the department administrator is expected to validate a listing of equipment charged to the department. Once every two years, a physical inventory is conducted by Receiving Department personnel. University property may not be cannibalized, traded-in, thrown into the dumpster, or disposed of in any way without the approval of the appropriate Supervisor of Central Receiving. (Please note that the inventory of facilities space, i.e. rooms and buildings, is a responsibility of Facilities Inventory. They are not responsible for University equipment.)

SURPLUS PROPERTY SALES

Receiving has oversight of surplus property sales. Departments are encouraged to send obsolete, uneconomically repairable, and unusable property to Central Receiving for subsequent sale. Since storage space is extremely limited, please contact Receiving before you send anything over. Usually an announcement is made prior to each sale. Departments shall receive a portion of the proceeds from anything which sells, less sale expenses.

TRADE-IN OF EQUIPMENT

Trade-in of used equipment may be permitted. However, your intent to trade a piece of equipment must be clearly stated on the requisition. Please provide all necessary descriptive data including the University property tag number.