

Hampshire College

# Purchasing Manual



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## **GENERAL INFORMATION**

The purpose of this manual is to serve as a reference for those who, in their role as representatives of Hampshire College, purchase goods and services to be used in the pursuit of its mission. It contains a summary of the policies and procedures that have been developed to guide these actions. The explicit goal of these policies is threefold: to ensure the health and safety of the college's faculty, staff, and students, to encourage behavior in this area that adheres to a high ethical standard, and, to facilitate a method of obtaining goods and services that protects the financial interests of the college.

### **Purchasing Staff**

#### **.Marge Dunehew, Purchasing Coordinator**

The Purchasing Coordinator facilitates purchases of goods and services for the College.

### **Purchasing Office: Location and Hours**

The purchasing office is located in Blair Hall on the 2<sup>nd</sup> floor.

The office is open Monday through Friday from 8:30 a.m. to 12:00 p.m. and from 1:00 p.m. to 4:30 p.m.

## INTRODUCTION

The Hampshire College Purchasing Office provides all departments with assistance with procuring equipment, furniture, services, and supplies. The office maintains three manuals in support of these activities. This manual is the most general and includes the code of ethics, purchasing policies, and procedures. The purchasing card manual details the policies and procedures relating to the use of the college's purchasing card program and can be found on the purchasing office website: <http://www.hampshire.edu/offices/5764.htm>. Finally, the requisition module manual is a detailed, step-by-step, guide for new users of the requisition module and is presented to new users during the training session. It can also be obtained by requesting it via email to [purchasing@hampshire.edu](mailto:purchasing@hampshire.edu).

In addition to the manuals the purchasing office maintains, there is information on the office's website to direct purchasers to vendors that provide the highest possible quality and service at the lowest possible cost. The purchasing office maintains relationships with two buying groups: MHEC, the Massachusetts Higher Education Consortium, and E & I, Education and Institutional Cooperative Service, Inc. Links to the websites of these buying groups can be found on the purchasing office website at: <http://www.hampshire.edu/offices/12860.htm>. For assistance with these websites or for advice on vendors with which the college has had experience, please contact the purchasing office.

The Purchasing Manual is intended as an aid to anyone who is charged with buying goods and services on behalf of the college by clarifying the policies and procedures that have been developed to encourage safe, ethical, and responsible purchasing. On the pages that follow, you will find the purchasing code of ethics, an enumeration of the role of the purchasing office, a description of the procedures for purchasing as well as the policies that govern certain specialized items, such as furniture. This manual ends with a note about vendors.

## **CODE OF ETHICS**

Hampshire College endorses the code of the National Association of Educational Buyers (NAEB).

During the process of obtaining goods and services for the college, it is important to understand and to follow this code. It is a guide to our behavior that will help us maintain high standards of courtesy, integrity, and honesty.

### **NAEB 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 using 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 NAEB members and promote a spirit of unity and a keen interest in professional growth among them.

To maintain these standards, the Purchasing Department asks staff to subscribe to the following principles. It is essential that any person conducting business with a vendor on behalf of the college observe the ethical standards described below.

1. Give first consideration to the mission and policies of Hampshire College.
2. Recognize that value represents the alignment of price, service, and quality that assures the greatest ultimate cost-savings to the college, that is, the lowest priced item or service does not always yield the best end result.
3. After giving value full consideration, then strive to obtain the maximum value for each dollar.
4. Demand honesty in sales representation, regardless of whether the representation was made via a verbal or written statement, an advertisement, or a sample of the product.

#### **IT IS THE ROLE OF THE PURCHASING OFFICE:**

1. To assist departments/schools in purchasing goods and services. We provide a supporting role in identifying suppliers, providing assistance, and negotiating prices and quantities. To coordinate and negotiate bulk purchases through approved suppliers.
2. To issue purchase orders.
3. To administer the purchasing card program: setting up new users, maintaining records of purchases, and auditing accounts for fraud. There is a manual dedicated to the policies governing the use of one's purchasing card. This manual can be found on the purchasing office website at: <http://www.hampshire.edu/offices/6330.htm>.
4. To provide administrative support to offices in their use of the requisition module in Datatel. Purchasing office staff provides training to new employees on this module as well as ongoing support in its day-to-day use. Purchasing office staff members produce a manual for new users with detailed instructions on the use of the Datatel purchasing module. A copy of this training manual is presented to new users during his or her training session.

## **PURCHASING PROCEDURES**

What follows outlines the procedure for obtaining goods or services via the requisition/purchase order system. This system is used for all goods or services for which the price exceeds \$1,000 and for those vendors that do not accept credit cards. If a purchase costs under \$1,000 and the vendor accepts credit cards, then the purchase must be made using a college-issued credit card.

### **I. REQUISITIONS**

#### **A. Description**

A requisition is a template of a purchase order. Requisitions are created and submitted via the Datatel requisition module. Each office manager determines who will have the responsibility to enter requisitions, the credit limit assigned to that person, and the general ledger account numbers that can be accessed. Purchasing office staff holds training in the use of this module several times per year.

#### **B. Initiation and Submission of Requisitions**

All requisitions must be submitted at the office level. It is recommended that one person within each office, or school, be given the responsibility to requisition items or services for the entire office or school. Requisitions must first be completed in the Datatel requisition module in their entirety. *The following information is mandatory:*

- Requisition date
- Initiator name
- Vendor
- "Ship to" address, that is, the mail code for delivery
- AP Type (always, "01")
- Item description
- Quantity (including unit of measure, e.g., carton, pounds, crate, etc.)
- Estimated price
- 13-digit account number

Delays will occur in processing requisitions that are submitted without adequate information. Each vendor requires a separate requisition.

The dollar limit allowed for each designee to purchase goods will be at the discretion of the budget manager. Dollar amounts that exceed the individual limit require the additional approval of the supervisor. All bulk purchases or large orders over \$10,000 will require the approval of the controller.

The requisitions pertaining to the areas listed below will require additional approval. Please note the area from which to request authorization.

Computers, Printers, and related equipment	Director of Information Technology
Audio-visual equipment	Director of Information Technology
Library Acquisitions	Director of the Library
Construction Contracts	Director of Facilities and Grounds
Non-beverage potable alcohol, MSDS	Director of Public Safety
Equipment purchases over \$10,000	Controller
Certificate of Insurance	Vice-President for Finance and Administration
Printing of External Publications	Director of Communications
Furniture and Window Treatments	Director of Facilities and Grounds

These additional approvals are required regardless of whether the funds are from the general operating budget, donations from any source, state or federally-funded grants, student group accounts, or any college funds not otherwise specified.

### **Office/Classroom Furniture**

Please note: the director of facilities and grounds must approve all furniture purchases. No invoices for furniture will be paid without the prior approval of the director of facilities and grounds.

### **Non-Beverage Potable Alcohol**

The purchase of non-beverage potable alcohol requires a permit from the Bureau of Alcohol, Tobacco, and Firearms (ATF). All such requests must be placed through the office of public safety.

### **C. Fund Availability**

No requisition will be processed without sufficient budget funds and proper authorization.



## **II. PURCHASE ORDERS**

### **A. Process**

Once the requisition is complete within the Datatel purchasing module, it is electronically forwarded to the purchasing office. All purchase orders will be generated in the purchasing office and will be sequentially numbered. The purchase order is a contract between the buyer and seller. Once submitted to the vendor, all specifications become a **legally binding** part of the contract with agreed upon terms and conditions. Vendors who accept and deliver an order without a purchase order or other properly executed contract do so at their own risk.

If requested by the purchaser, a hard copy of the purchase order will be forwarded to the vendor.

It is the responsibility of the department or school to follow-up on purchase orders. If the purchasing office has sent an order to a vendor and delivery of the goods is delayed, the department or school designee should contact the vendor for clarification.

### **B. Change of Vendor (s)**

Purchasing office staff has established contracts and agreements with a large number of vendors; therefore, it reserves the right to change a vendor if a more advantageous pricing arrangement is available. In the event a contract is not available, purchasing office staff may find a vendor to supply the item requested using its many resources and contacts. Purchasing staff will then contact the department to notify them of the change.

### **C. Blanket Purchase Orders**

Blanket purchase orders (BPO's) should be created for each vendor authorized for their use. BPO's are allowed for vendors in these circumstances: (i) the vendor does not accept credit card payment OR each order will be over the \$1000 limit for credit card purchases, and (ii) the purchaser expects to place recurring orders with the vendor. BPO's must be submitted with a specific dollar limit. All subsequent purchases should be charged against that number until the aggregate amount is reached. A BPO's limit will be determined and managed by the department budget manager, who can add funds to the BPO, if needed. It is important that the balance of a BPO not be allowed to fall below \$0. If it does, then that BPO will be closed and, if the purchaser would like to continue using a BPO for that vendor, then a new one will need to be created. All BPO's expire automatically at the end of each fiscal year (June 30<sup>th</sup>).

## **D. Change Orders**

A purchase order may be changed at any time by contacting the purchasing office. This might be necessary due to an inability of the vendor to complete the order, because of a change in pricing, or due to a typographical error. Discrepancies of plus or minus 10 percent usually do not require correction of the purchase order.

A voided purchase order may not be used again.

A verbal order may be called into the vendor after receiving the purchase order number from the purchasing office.

## **III. RECEIVING**

Since the College does not have a central receiving location, all items will be received at an office or school. An office designee will be responsible for receiving goods. The purchase order should show the office that will receive the order and, if the vendor is not given a copy of the purchase order, then it is important to be sure the "Ship To" address includes a contact name and department. Please contact the purchasing office for advice if the items will require special handling, for example, a crew from the physical plant to unload or move. To help insure an accurate check-vouchering process, all vendors should be instructed to refer to the Hampshire College purchase order number on billing invoices and packing slips.

## **IV. INVOICES AND PAYMENT**

All invoices should be sent directly from the vendor to the accounts payable office (A/P). If you receive an invoice, please forward it promptly.

Once an invoice is paid, supporting documentation including the invoice and a copy of the check will be retained in the accounts payable office.

## **V. PURCHASING OUTSIDE THE SYSTEM**

All purchases must be processed as indicated above, except as authorized. *The Business Office will not reimburse purchases and services made outside of the system.*

## **VI. RETURNED GOODS**

**Before payment:** A purchase order for goods that are returned prior to the purchase order being accepted in Datatel (or prior to payment of the invoice) should be voided.

**After payment:** If payment has already been made, the items should be returned according to the vendor's specifications and a refund or credit should be sought. A copy of any correspondence or documentation related to the refund or credit should be directed to the accounts payable office so that its receipt can be monitored and properly applied when received.

## **VII. GENERAL POLICIES**

### **Paper Purchasing**

Effective July 1, 2003, Hampshire College began purchasing 100% post-consumer content, 100% chlorine-free, recycled paper. This paper will be used campus wide in all copiers and office printers whenever possible. When not possible, for example, for colored paper and paper of other than standard size, paper that is 30% or higher post-consumer waste and 100% chlorine-free will be purchased.

Certain formal items, such as printed stationery and documents of the Board of Trustees will continue to be printed on the paper the college has used historically in order to preserve consistency in the college's external identity.

### **Recycled Materials and "Green" Procurement**

Hampshire College is committed to the purchase of products that enhance the preservation of our environment; however, in cases in which the price is significantly higher for "green" products or services, the cost difference will serve as a mitigating factor.

Individual departments will make the decision regarding the purchase of products made from recycled materials. Please contact the Five College recycling coordinator for further assistance.

### **Office/Classroom/Student Furniture**

All furniture purchases must have the approval of the director of facilities and grounds. No invoices will be paid without the approval of the director of facilities and grounds. Fire retardant materials may be required.

### **Window Treatments**

The purchase of all window treatments, blinds, shades, drapes, etc. must be approved through the office of facilities and grounds. Fire retardant criteria must be followed in conjunction with these purchases.

## **Non-Beverage Potable Alcohol**

Purchasing of non-beverage potable alcohol requires a permit from the Bureau of Alcohol, Tobacco, and Firearms. All such requests must be placed through Public Safety and any requisition must have the director's approval indicating approval of the purchase.

## **Credit Applications**

The Purchasing Office will process all credit applications from vendors that require this information in order for a department to establish a credit relationship. All pertinent files will be housed in the purchasing office.

## **Tax Exemption Certificates**

Hampshire College has a Commonwealth of Massachusetts tax exemption certificate number. The purchasing office will provide it upon request. Hampshire College is exempt from the payment of most federal, state and local taxes. Please inquire about tax exempt status prior to purchasing any goods and services.

THE TAX EXEMPT NUMBER CANNOT BE USED FOR PERSONAL PURCHASES.

## **MHEC, E & I Campus Contracts**

Hampshire College is a member of the Massachusetts Higher Education Consortium and the Educational and Institutional Cooperative Service. Information regarding these contracts is available from the Purchasing Department. MHEC's contracts are also available to all departments online at: <http://mhec.umassp.edu>. No additional price checking is required when using either of these sources.

## **Grants and Contracts**

Expenditures made under grants and contracts must comply with all requirements of the grant or contract agency. Federal grants and contracts require compliance with Attachment O, OMB circular A-110. Copies are available through the Purchasing Office. Prior to making purchases, the principal investigators must familiarize themselves with these requirements. Items purchased under grants and contracts become the property of Hampshire College. The college delegates responsibility for the care and operation of the property to the principal investigator.

## **Minority and Women-Owned Business Policy**

Hampshire College is committed to supporting minority and women-owned businesses. Recognizing the value of diversity in our society, we aggressively promote and seek out minority-owned and women-owned businesses.

## **Campus Copier Contract**

All departments are on a cost-per-copy program with Connecticut Business Systems, a Xerox company. All requests for paper, maintenance, and repairs are placed through the duplication center by calling ext. 5512 or by emailing [xerox@hampshire.edu](mailto:xerox@hampshire.edu). Departments are charged a flat fee for each impression made. Please indicate which general ledger account number should be charged when placing an order with the duplication center.

## **Travel Policy**

The travel policy can be found on the business office pages of the website at this address: <http://www.hampshire.edu/businessoffice/6737.htm>.

## **Credit Card Purchases**

College-issued purchasing credit cards should be used for college purchases under \$1000.

## **IX. VENDOR FILE**

The Purchasing Department maintains the vendor file. In order to enter a new vendor, the following information must be provided via form W-9:

1. The vendor's full name.
2. The order address and payment address.
3. For businesses: the Federal Employer Identification Number (EIN) *(required)*
4. For individuals: the Social Security Number (SSN) *(required)*

## **Vendor Relations**

It is the responsibility of the buyer to ensure that purchase orders for goods that are received are promptly authorized for payment. Delays in authorizing payment after goods are received strain the college's relationships with its vendors.

The purchasing office accepts responsibility for maintaining good relations with our vendor community. Please refer any problems or difficulties to the purchasing office.