



Purchasing Policy
Administrative Policy A1.4
February, 2010
Revised June, 2011

Policy Statement

Generally, within guidelines described in this Purchasing Policy, department representatives may initiate purchases covered by funds approved in their budgets. If you have any questions about this Purchasing Policy, please contact the Chief Financial Officer.

Acquiring Goods and Services

Purchases on behalf of the College should be made with vendors that invoice the College whenever possible. If this is not possible, the College's Credit Card can be obtained from the Controller (Kate Gustafson) using the guidelines below. If for any reason the VCFA Credit Card cannot be obtained, the use of a personal credit card for purchases is allowable, provided the guidelines below are followed. All purchases made using the College's credit card must be accompanied by original receipts in order for the bill to be processed. Please reference *Policy F1.7 VCFA Credit Card Use* for details.

Purchases less than \$200

If preferred purchasing methods are not available (see above) purchases under \$200 may be made using a personal credit card. Submission for reimbursement should be made using a Travel and Business Expense Report (TBER) to Accounts Payable. A check will be sent to you in 1-2 weeks provided the necessary approvals are obtained. For further detail on Travel and Business Expenses please reference *Policy F1.1 Travel and Business Expense Policy* for details.

Purchases between \$200 and \$4,999

Invoices should be sent directly to the Accounts Payable office from the vendor, but if they arrive in your office please authorize with a budget number, obtain appropriate approvals and forward to Accounts Payable. The VCFA Credit Card may be used for purchases above \$200 provided that a Credit Card Authorization form (along with appropriate approvals) is completed prior to making the purchase. Please note, purchase orders are generally not available for purchases under \$1,000. Exceptions are made for suppliers that insist on receiving a purchase order.

Purchases between \$5,000 and \$9,999

A purchase order is recommended for purchases between \$5,000 and \$9,999 for budget control purposes and for the added legal protections that purchase orders provide. Contact Accounts Payable to create a PO prior to placing an order.

Purchases more than \$10,000

A purchase order is required for purchases greater than \$10,000 that are not listed as categorically exempt (see below). The \$10,000 may be reached in one of the following three ways:

1. A single ordered item with a total cost (including freight) equal to or greater than \$10,000
2. More than one item ordered at one time with a total cost (including freight) equal to or greater than \$10,000
3. Multiple purchases to the same vendor against the same account number that total \$10,000 or more in a fiscal year.

All purchases \$10,000 or more are also subject to the College's Bid Policy (see below) and require written approval from the appropriate senior staff person.

Please note, checks for purchases of more than \$50,000 must be signed by both the CFO and President. Purchases of \$100,000 or more must be approved by the Board of Trustees.

Categories Exempt from Purchase Orders

Certain categories are exempted from the purchase order requirement and bid policy. These include:

- Honoraria and fees for entertainers
- Investment management services
- Fringe-benefit related expenses
- Taxes and payments to government agencies
- Legal and audit fees
- Membership fees and subscriptions
- Insurance
- Utilities

These expenditures should be processed for payment directly with the Accounts Payable Office. Contact A/P if you have any questions as to whether or not your purchase will require a purchase order.

Common Goods & Services

All office supplies must be ordered through the central purchaser (currently, Kelley Bordeleau Lamb). An e-mail requesting supply orders will be sent out to all staff at least once per month. In addition, staff may request supplies more frequently by contacting the central purchaser. The College's preferred vendor is Capitol Stationers in Montpelier. Orders are generally placed on Tuesdays and Thursdays, and supplies will be delivered on Wednesdays and Fridays. All invoices from Capitol Stationers should be authorized with a budget number and appropriate department approval should be obtained before submitting the invoice to Accounts Payable. In addition to Capitol Stationers, the College also uses Office Max for items that cannot be obtained through Capitol Stationers. All Office Max orders should also be placed through the central purchaser.

Bid Policy

A competitive bid with three vendors is recommended for purchases of \$5,000 or more and required for purchases of \$10,000 or more.

Bid Guidelines

When dealing with vendors under a bid process, it is important to conduct a fair and ethical process. Here are some key points to remember:

- All vendors must be provided with the same information and deadlines to avoid any advantages for any vendor.
- No information on the bids submitted (especially price) may be disclosed to the other competing vendors except for the name of the company.
- You should not tell any vendor the amount that should be submitted.
- You should not allow any vendor to resubmit a bid. Resubmission bid requests must include all vendors.