

NUMBER: BUSF 7.00
SECTION: Business and Finance
SUBJECT: Purchasing
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Policy for: All Campuses
Procedure for: USC Upstate
Authorized by:
Issued by:

I. Policy
<http://www.sc.edu/policies/busf700.pdf>

II. Purchasing Procedures

All of following procedures apply to all units that report to the Senior Vice Chancellor for Academic Affairs. Adhering to these procedures is vital to the effectiveness and efficiency of procurement. These Procedures have been developed in conjunction with the Purchasing Department.

1. Direct Expenditure Voucher

DEVs are used to procure items that otherwise would not be reasonable using a Purchase Order or Purchasing Card and it must be for goods that have been received or for services that have been rendered. All Any purchases for goods and services that have not been received or rendered must be accompanied with a **Request for Advance Payment form**. The dollar thresholds apply to processing of DEVs also. If the total amount of the service exceeds \$10,000 Procurement policies and procedures must be followed. All payments of invoices should be processed no later than (30) business days. The exception is if it the vendor does not provide the invoice in a timely manner. All DEV's must be signed by the Senior Vice Chancellor before being processed by purchasing. Any DEV that does not have the signature of the Senior Vice Chancellor will not be processed in the Purchasing Office. A checklist will be provided to each unit to ensure compliance with the proper authorizations that are needed to process a DEV. All signatures must be in the proper place before the DEV can be processed. Any purchases with food or/any gifts must always have the **Personal Consumption items form** attached with the correct policy number.

- a. The unit initiates a purchase via DEV and the Department Head and/or Dean authorizes the purchase.

- b. The DEV along with the invoice or documentation of the purchase is sent to the Office of Academic Affairs for approval.
- c. Once the DEV is approved, it is sent to Purchasing for processing.

2. Revolving Fund Request

The **Revolving Fund Request** is used to reimburse Upstate Employees for purchases with personal funds that will be charged to the employee's unit's account. The fund is designed to reimburse for supplies and goods and in some rare cases emergency purchases. Travel and Services are prohibited from being reimbursed with the revolving fund request. Any purchases with food must always have the **Personal Consumption items form** attached with the correct classification code. All reimbursements made with the Revolving Fund Request must have the Senior Vice Chancellor for Academic Affairs signature to be processed. All expenses that can be reimbursed must be processed no later than (30) business days. A checklist will be provided to each unit to ensure compliance with the correct authorizations that are needed to process the Revolving Fund Request.

- a. The unit employee purchases supplies and/or food with personal funds for university purpose.
- b. The unit completes a Revolving Fund Request and attaches receipts that match the reimbursement amount. If food, the personal consumption form is completed with correct classification code and attached.
- c. The Department head and/or Dean authorize the reimbursement.
- d. The request is then sent to the Office of Academic Affairs for approval.
- e. Once approved, it is sent to purchasing for processing.

3. Purchase Requisitions

A Purchase Requisition is the preferred method of procurement for the university. All current purchasing policies will apply to Purchase Requisitions. Unit should anticipate needs in order to procure items in a timely manner. All purchase requisitions that meet the following criteria must have the approval of the Senior Vice Chancellor for Academic Affairs.

- 1.) Any purchase that is \$10,000 or more (sales tax included)
- 2.) Any purchase that is for equipment greater than \$5,000 (sales tax included)

4. Purchasing Cards

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 \$2,500.00 or less. All Departments that report to Senior Vice Chancellor for Academic Affairs will have the employees and the purchasing cards audited by the Budget Manager for Academic Affairs. The Purchasing Cards will be audited quarterly every fiscal year and an annual report will be issued to Senior Vice Chancellor for Academic Affairs. The purpose of the audit is to ensure compliance with all applicable policies and procedures outline in the Purchasing Card policies and procedures issued by USC Columbia Campus. Also, the audit is to ensure efficiency and effectiveness of use of the Purchasing Card. Any items that can be considered gifts cannot be purchased with the Purchasing Card.

5. Foundation Fund Request

The foundation Fund Request is used to request funds from a unit's individual USC Foundation account. The foundation has accounts set up specifically for departments to use when donations are given to a particular department. Departments use these funds to make purchases for operations or for specific reasons. In order to be able to use these funds, the department must make the purchase from university funds then be reimbursed by the USC Foundation funds. It is imperative that each department have approval from the USC Foundation to make purchases before attempting to purchase items with university funds to be reimbursed. All reimbursement dollar amounts should be approved first by the USC Foundation and the Office of Academic Affairs before approval to use university funds. The following process should be strictly adhered to

- a. Department incurs expense with university funds, once expenses are incurred, the department then prepares a Request for Payment from the Foundation and submits it to Academic Affairs.
- b. Once approved, Academic Affairs forwards approved foundation funds request and purchasing documents to the Office of Academic Affairs.
- c. Once approved, it is sent to purchasing for processing.

6. Discretionary Funds (R Funds)

The Senior Vice Chancellor for Academic Affairs receives "Designated / Discretionary Funds" at the beginning of each fiscal year. While the purposes for which these funds may be used are indeed discretionary, the expenditures must be for the benefit of the University. Certain expenses are allowable from R funds which are not allowable A funds (University Funds)

All expenses should meet certain requirements: (1) expenses paid by the University or incurred by an employee must directly promote a public or business

purpose of the University and be connected to the mission of the University; and (2) all payments must be fiscally and legally sound and substantiated with appropriate documentation suitable for auditing purposes.

The Senior Vice Chancellor for Academic Affairs is authorized to determine if specific expenditures fall within the established guidelines of discretionary funds. The flexibility associated with discretionary funds means that determining the propriety of some expenditure will require judgment. In these cases, the individual making the decision about the expenditure must be comfortable with the prospect that the specific expenditure would be acceptable if it should come under the scrutiny of individuals outside the University.

Expenditures that confer a personal benefit upon the individual authorizing the expenditures are not allowed. Any personal benefit must be clearly incidental to the primary purpose of benefiting the University. The Senior Vice Chancellor will determine which expenses will be funded by the R funds. It is imperative that no department make any purchases or commitment with the intent to be charged to the R funds without receiving approval from the Office of Academic Affairs. No department will have a pre determine amount to be allocated R funds. R funds are auxiliary funded which means the funds are subject to change from year to year depending upon auxiliary operations. Therefore, each department must request funds on a case by case basis. Each request will be subject to review by the Senior Vice Chancellor for Academic Affairs.

7. Cash Advance

University Employees must adhere to the policies outlined in **BUSF 2.19**

- a.) The department completed the Request for Cash Advance/Gift Cards and sends to department and/or dean for Approval.
- b.) The completed form is sent to the Office of Academic Affairs for approval.
- c.) Once it is approved, it is sent to Accounts Payable for processing.
- d.) Once gift cards or purchases have been made complete receipts are to be sent to the Office of Academic Affairs reconciliation and closing.

III. Related Policies

Internal Audit Manual for Purchasing Cards