Purchases from Commercial Vendors

Policy 509.8

1 Introduction

2 Scope

3 Definitions

4 Policy and Procedure Statements

4.1 Necessary Form

4.1.1 All requests for materials and services from commercial vendors must be submitted by requesting departments on either the standard procurement request form or by using FRS On-Line Requisitioning procedures as discussed in Procedure Statement 1, Purchasing from Commercial Vendors.

4.2 Budgetary Approval

1. Hard copy procurement request. After removing the departmental copy, the completed procurement request is submitted to the Controller's Office for budget approval. If sufficient unobligated funds remain in the general ledger account, the request is approved and forwarded to the Purchasing Office. If sufficient funds are not available, or if the request does not have the appropriate authorizing signature, the procurement request will be returned to the department.

2. On-Line Requisition. It is the responsibility of the requesting department to ensure that the general ledger account has adequate budget balance available (BBA) in the appropriate budget pool prior to submitting an on-line procurement request. On-Line requisitions must be submitted in accordance with the detailed instructions in the FRS On-Line Requisitioning Manual. Once submitted, the requisition will be transmitted on-line to the established approving authority which has administrative responsibility for the account. If approved, the requisition will then be transmitted on-line to the Purchasing Department.

4.3 Purchase Orders

4.3.1 The Purchasing Office processes the procurement request to issue a purchase order. If bids are necessary, the Purchasing Office will request bids or arrange for the State Purchase and Contract Division to request bids. All other necessary approvals will be coordinated by the Purchasing Office.

4.3.2 After a purchase order has been processed, a copy is returned to the requesting department indicating that the materials have been ordered. The departmental receiver copy of the purchase order is forwarded to the Central Warehouse.

4.4 Goods Received

4.4.1 Most goods bought on purchase order will be received by the Central Warehouse and delivered to the department. The department should check the shipment for correctness and for damage as soon as possible, but no later than 5 days after receipt. If the shipment is correct and undamaged, no further action is required. The Receiving Section at Central Warehouse will automatically electronically receive the purchase 5 working days after delivery to allow payment by the Controller Office. If the shipment is incorrect or damaged, the Central Warehouse must be notified immediately (prior to the 5th day after receipt).

4.4.2 Purchased goods which are delivered directly to the department by the vendor have not been processed through the Central Warehouse. Therefore, it is essential that the department notify the Central Warehouse of satisfactory receipt as soon as possible, so the receiving report can be processed to allow payment.

4.4.3 All invoices should be forwarded to the Purchasing Office by the vendor. If an invoice should be received by a department, it should immediately be forwarded to the Purchasing Office. Prompt payment for supplies and equipment insures Appalachian's good credit rating and services rendered by vendors.

4.4.4 All purchases from commercial vendors must be made in accordance with the policies and procedures detailed in this Manual.

4.5 Purchasing from Commercial Vendors
4.5.1 Procedure References

4.5.1.1 Review Policy Statement 7, Purchases from Commercial Vendors, and other policy statements applicable to the type of purchase.

4.5.2 Procedure Description

4.5.2.1 All purchases of goods and services from commercial vendors must be requested on a procurement request, Form PR-001, or by using FRS On-Line Requisitioning procedures. The requesting department submits the completed procurement request to the Controller's Office for budget approval. The Controller's Office then forwards approved requests to the Purchasing Office for processing. The Purchasing Office coordinates the obtaining of bids and approvals where necessary.

4.5.2.2 The Purchasing Office then issues a purchase order and sends an informational copy to the requesting department.

4.5.2.3 All purchases from commercial vendors must be made in accordance with the policies and procedures in this Manual.

4.5.3 Procedure Steps

4.5.4 Look At Other Statements

4.5.4.1 Check this Manual for specific information pertaining to the item you want to purchase. The following steps are for the general task of purchasing "something" from a commercial vendor.

4.5.5 For On-Line Requisitioning

4.5.5.1 Departments which are trained and approved for on-line purchase requisitioning should use the procedures outlined in the FRS On-Line Requisitioning manual for most of their procurement requisitions. This manual is available at department level. Additional copies and/or updates will be provided by the Purchasing Department as needed.

4.5.6 For A Paper Procurement Request (Form PR-001)

4.5.6.1 Indicate the following information in the labeled blocks:

1. Date: The date of preparation.
2. Requisition Number: A number assigned by the department for internal reference purposes.
3. Person Originating Request: Name of person requesting the purchase.
4. Department: Name of requesting department.
5. Requested Date of Delivery: Date items are needed.
6. Check Distribution: Check the appropriate box if prepayment is required with the order, indicating how the check distribution is to be routed. All prepayment orders must be accompanied by an invoice or "document" from which price was obtained.
7. Vendor: The name and address of a known source for the items requested. If a source is not known, leave this block vacant.
8. Vendor Number; Terms; Cert., Bid, Quote Number; F.O.B.: For Purchasing Office use only.
9. Item No.: Leave blank.
10. Quantity: The number of each item requested.
11. Unit: The standard quantity measure used to sell the item, i.e. each, pair, thousand, hundred, ream, box, etc.
12. Commodity Number: To be filled in by the Purchasing Office.
13. Description: Give as thorough a description as possible for the items listed. If catalog numbers are available, include them. If prepayment is required for an order, indicate "PREPAY" in the description column, and attach an invoice or "document" indicating prices of the items. Specify if the item is a new asset or a replacement part.
14. Unit Price: The price per unit, pair, thousand, hundred, ream, box etc.
15. Total Prices: The product of the quantity times the Unit Price for each item listed.

4.5.6.2 After listing all items, subtotal the total price column.

4.5.6.3 Figure applicable sales tax and list in the total price column.

4.5.6.4 Show estimated total by adding the subtotal and the sales tax amounts.

4.5.6.5 Forward request to the department head for her/his signature of approval and date. If the department head is authorized to expend funds from the budget account for these items, he/she should also sign in the space for Dean of College/or authorized signature, fill in the appropriate budget account code, and the current date.
4.5.6.6 If approval is required at the Dean's level or if someone other than the department head must authorize the expending of
funds from the applicable budget account, forward the request to the appropriate person for her/his approval signature and the
proper budget account number.

4.5.6.7. Forward request to the Controller’s Office for final budgetary approval.

4.5.6.8. The Controller's Office will forward an approved request to the Purchasing Office for processing and will return any
unapproved requests to the requesting department.

4.5.7 Purchasing Office Action

4.5.7.1 When the procurement request is received in the Purchasing Office, they will review it thoroughly to make the following
determinations:

1. Are these items available at the Central Warehouse?
2. Are these items available on a State Contract?
3. Is adequate information provided to process a purchase order?
4. Are competitive bids required? If so, may the bidding be done by the University or must it go through the Purchase and
   Contract Division of General Administration?

4.5.7.2 If competitive bids are required, the Purchasing Office will process the necessary paperwork to solicit bids locally or
through the State Purchase and Contract Division and coordinate all transactions with the requesting department.

4.5.7.3 When a definite vendor has been determined, Purchasing will issue a purchase order and forward a copy of the purchase
order and the procurement request to the requesting department.

4.6 Receiving Purchased Items

4.6.1 Procedure Reference

4.6.1.1 Review Central Warehouse Policy Statement 2, Central Receiving?, and Purchasing Policy Statement 7, Purchases from
Commercial Vendors.

4.6.2 Procedure Description

4.6.2.1 Since the Central Warehouse has been designated as the central receiving point for the University, most purchases are
initially delivered there. For the same reason, when purchase orders are processed by the Purchasing Office, the departmental
receiver copies are forwarded to the Central Warehouse until the items are received. Upon receipt, warehouse personnel
deliver the purchases to the requesting departments.

4.6.3 Procedure Steps

4.6.4 Warehouse Delivers Purchased Items

4.6.4.1 When the Central Warehouse delivers materials:

   1. Sign the warehouse receiving report for the shipment only as to the number of packages.
   2. Check the shipment contents as soon as possible but no later than five (5) days after receipt.
   3. If questions arise as to content of packages delivered, or if the shipment is discovered to have concealed damage, report
      this to the Central Warehouse (262-3160) and to the Purchasing Office (262-2080) at once.
   4. If there is no problem with the shipment it will not be necessary to call the warehouse; the purchase will be automatically
      electronically received by central receiving 5 days after delivery.

4.6.5 Direct Shipment to Department

4.6.5.1 For items not received at the Central Warehouse, but forwarded directly to the department, the parcels should be
opened and inspected for compliance with the purchase order and for concealed damage. The warehouse must be notified
when the order is complete so the purchase can be electronically received. If damages exist, follow the same procedure as for
items delivered by the Central Warehouse.

5 Additional References

6 Authority
7 Contact Information
8 Original Effective Date
9 Revision Dates