

PURCHASING

- 1 **POLICY**
- 2 In alignment with, Minnesota State Board Policy 5.14 – Contracts, Procurements and Supplier Diversity and the
- 3 related Minnesota State Board Procedure 5.14.5 – Purchasing, as well as Minnesota State Statute 16.A15,
- 4 Subdivision 3, Ridgewater College acknowledges and adheres to the definitions and directions within the documents.
- 5
- 6 -----
- 7 *History:*
- 8 *04.18.2023 - Proposed, Reviewed for Equity Compliance*
- 9 *09.20.2023 – Revised*

PURCHASING

PROCEDURES**Requisitions Forms/Purchase Orders**

All orders must be initiated with a college requisition (supplies, equipment, hotel accommodations, memberships, subscriptions, advertising, etc.) Requisitions may be entered by an authorized employee through the Marketplace system or through a request to the campus Buyer/Purchaser – purchasing@ridgewater.edu.

Once the requisition has been verified, a Purchase Order is created, and the funds are encumbered for that purchase. The funds must be encumbered prior to making an obligation by an authorized employee certifying that the accounting system shows sufficient allotment or encumbrance balance in the fund, allotment, or appropriation to meet it. An expenditure or obligation authorized or incurred prior to encumbering funds is in violation of state law and ineligible for payment until made valid and is in violation of Minn. Stat. § 16A.15, Subd. 3. An employee authorizing or making the payment, or taking part in it, may be liable to the state for the amount paid. A known violation of Minn. Stat. § 16A.15, Subd. 3, is just cause for the employee's removal.

Options for Placing an Order

Option One: Ordering Via Phone – To place an order over the phone, the employee must complete a requisition in Marketplace and select MANUAL as the distribution method. If the Vendor is not an active SWIFT vendor, they must request set-up information from the Buyer, as the Vendor will be required to set up an account in the SWIFT system. When the Buyer has the purchase order number finalized, the employee will be notified by email or phone with the purchase order number, which allows the employee to proceed with calling the vendor to place the order. The original purchase order will not be mailed/faxed/emailed to the vendor unless an indication is made on the requisition that a confirming copy is necessary.

If there is an urgent need to place an order, the Buyer/Purchaser will respond accordingly. If a request for a purchase order is submitted by noon on any given working day, the Buyer/Purchaser will make every effort to respond with a purchase order number by the end of the same day.

Option Two: Ordering Via Mail – If an order is to be mailed, a requisition is to be submitted through Marketplace noting that the final Purchase Order needs to be mailed to the vendor. (There is no distribution method for mailing in Marketplace – please note in the details option regarding your purchase and select MANUAL for the distribution method in Marketplace). When completed, the original purchase order will be mailed to the vendor.

Option Three: Ordering Via Fax or Email – If an order is to be faxed or emailed, a requisition form must be set up in Marketplace with the distribution method indicating the fax or email address to which the Purchase Order needs to be distributed. Marketplace will send out the purchase order directly to the vendor via the means selected.

Option Four: Ordering Via Internet – Orders placed via the Internet will be placed by the Buyer/Purchaser utilizing a college credit card. A requisition must be submitted via Marketplace using the US BANK CORP- 35 vendor and select MANUAL as the distribution method. Requisition must include in the description all necessary information such as URL address of the website, item numbers, direct hyperlink to item, etc. A pdf attached to the requisition could also serve to clarify the order.

All orders must go through the Marketplace system which verifies appropriate administrative approval and encumbrance of funds prior to the purchase order being sent to the vendor.

Any documentation that should accompany a purchase order when it is sent to the vendor should be attached as an external document within Marketplace.

A requisition should never be used to initiate an order.

PURCHASING

61 Possible Delays

62 A requisition may be delayed if the vendor selected is not a current vendor within the Minnesota State SWIFT system;
63 the vendor should contact the Buyer/Purchaser to be set up within the SWIFT system. It is the vendor's responsibility
64 to get set up within SWIFT, as the Buyer/Purchaser is not able to set up vendors.

66 Field Orders

67 Field orders may be used for local purchases **under \$100**. When a field order is used, no requisition form is required.
68 Vendor does need to be a SWIFT vendor. Field orders are three-part forms and are available in the Purchasing
69 Office. The employee must complete the requested information (vendor information, college name, item description,
70 and price), sign the form, and send the **pink copy** to the Purchasing Office, along with the invoice. The **white copy** is
71 to be retained by the originator/department. The **yellow copy** is given to the vendor.

73 Problems with an Order

74 If a problem develops with an order after the purchase order has been issued (i.e., order not received, order not
75 received as ordered, etc.), the originator of the order should contact the vendor to inquire or correct the problem(s).

77 If an error was made by the Purchasing Office on the processing of an order, the originator of the order should contact
78 the Purchasing Office or deal directly with the vendor to make corrections.

80 Purchasing Cards

81 Purchasing cards provide the College with a cost-effective, convenient, and streamlined method of purchasing
82 items, thereby reducing the volume of individual vendor payments processed by the College. Reports on
83 cardholder activity enable the College to capture information necessary to better manage College's purchasing
84 activities.

86 Individual Card

87 An individual purchasing card is a card in the name of the College, and in the name of the employee for which the
88 institution is liable to the card issuer for all charges made in connection with the purchasing card issued to the named
89 individual. Cardholder means a state employee who is issued an individual card and agrees to abide by [Minnesota
90 State Board Policy 7.3.3 – Purchasing Cards](#).

92 Purchasing cards may be used to purchase eligible merchandise or services required in association with the duties and
93 responsibilities of the cardholder. The cardholder is responsible to ensure that tax is not charged on the purchasing card
94 that is issued to them (exceptions to tax rule: hotels and prepared food).

96 Unauthorized and/or Inappropriate Card Use

97 Purchasing cards must not be used to purchase items for personal use or non-college purposes, even if the cardholder
98 intends to reimburse the College. A cardholder who makes an unauthorized purchase with the card or uses the card in
99 an inappropriate manner may be subject to revocation of the purchasing card, and possible disciplinary action, up to and
100 including termination.

102 **Prohibited Use** - Cards must not be used for purchases in the following categories:

- 103 1. Food and beverages for an individual employee;
- 104 2. Alcoholic beverages except for academic course work;
- 105 3. Cash or cash advances;
- 106 4. Items for personal use;
- 107 5. Employee relocation expenses;
- 108 6. Expenses required to be reimbursed under System Procedure 5.19.3, Travel Management (including gasoline
109 for personal vehicles);
- 110 7. Sensitive items as defined in System Procedure 7.3.6, Capital Assets (including weapons of any kind); or

PURCHASING

- 111 8. Items for non-college, non-university, non-system office purposes.
112

113 **Responsibility of Card Holders**

- 114 1. Safeguard the purchasing card and card account number at all times; lost or stolen purchasing cards must be
115 reported immediately in accordance with college procedure.
116 2. Keep purchasing card in a secure location at all times.
117 3. Do not allow anyone else to use the purchasing card or card account number. Cards are individually based, not
118 departmentally based, or assigned.
119 4. Obtain and retain itemized receipts in an acceptable form for goods and services purchased. Examples of
120 acceptable forms include: itemized receipts/order confirmations delivered to the employee electronically,
121 copies, faxes, or original paper receipts. Copies of purchasing card bills are not acceptable forms of receipts. A
122 card user may be allowed to file an affidavit in lieu of a receipt if the receipt is lost or not obtained. Use of
123 affidavits in lieu of a receipt is discouraged. All credits, including returns, must be documented with itemized
124 receipts referencing the original purchase and purchase date. For internet purchases, the print out of the order
125 confirmation showing the details, the email confirmation, or the shipping document showing what was
126 purchased, the quantity and the price paid shall suffice as an acceptable form of an itemized receipt.
127 5. Review individual card transactions to ensure accuracy, authenticity and compliance with system and college or
128 university policies and procedures. Reviews must be occur within five days of issuance of the monthly
129 cardholder statement. Proper documentation must be attached to the monthly statement or transaction. The
130 authorized user must sign or electronically approve that the goods or service have been received.
131 6. Submit the individual card statement and documentation to the employee's supervisor or authorized reviewer
132 for approval.
133 7. Surrender the individual card and corresponding support documentation to the Card Administrator or
134 Coordinator prior to separation from the College, or as otherwise requested.
135 8. Take any other steps necessary to ensure that the purchasing card is used only for authorized purposes.
136

137 -----
138 *History:*

139 *04.23.2015 – Proposed*

140 *12.10.15 – Adopted*

141 *04.18.2023 – Proposed, Reviewed for Equity Compliance*

142 *09.20.2023 – Revised (This Purchasing Policy will replace the former Chapter 5: Credit Card Policy and Chapter 5: Purchasing Guidelines)*