

19.0 PURCHASING POLICIES AND PROCEDURES

The Purchasing Department is responsible for the timely and cost-effective procurement of goods and services for the University, consistent with applicable state of Mississippi statutes and University policies. The Purchasing Department is the central authority for the procurement of goods and services to be used by any University department or agency. All purchases must be made in accordance with the University's Procurement Code, the Purchasing Department's policy and state law.

19.1 BASIC GUIDELINES FOR PROSPECTIVE VENDORS

Here are the basic guidelines for prospective vendors of the University:

- Please call the Purchasing Department at (601) 877-6154 for appointments whenever possible.
- Make each visit a profitable one. Bring us a new idea, approach or product. Help us stay up to date.
- Please accept only an authorized Purchase Order from the Purchasing Department.
- Please do not accept promises from other University departments that you will be given a Purchase Order. A Purchase Order can be obtained only after proper purchasing laws and procedures have been followed.
- Please quote realistic dates so we can base our planning on good information.
- If you are discussing a requirement with one of the University departments, make sure the Purchasing Department is aware of it. We need good communication.
- Please conduct your business openly and frankly. As a state institution, all of our business transactions are a matter of public record.
- We will expect you to honor all pricing, delivery and service agreements.
- We value you as our supplier. If you have any questions or if we do anything that you do not understand, please call us.
- Please do not offer any gifts or gratuities to any Alcorn State University employee.

19.2 TYPES OF PURCHASES

Purchases are made to support academic programs as well as to support activities such as the facilities management, grant programs and administrative operations. The items and services include scientific equipment, office furniture, office supplies, chemicals, minor repair services, construction materials, construction machinery and maintenance service. If you are interested in supplying any of these items, then please advise us in writing and provide us with some information on your firm's background and experience.

19.3 METHODS OF PURCHASE

As a public institution, we must follow state purchasing laws and regulations. The Mississippi

Constitution places the management and control of Institutions of Higher Learning under the governance of the Board of Trustees. State law establishes guidelines and agencies to supervise the procurement functions.

Laws relative to the Office of Purchasing and Travel and the procurement process in general may be found in Chapter 7 of the Mississippi Code beginning with Section 31-7-1.

If an item is covered by a competitive bid state contract, we must buy from a particular vendor.

If an item is covered by a negotiated contract, we can purchase that item from a vendor not on state contract, if the price is lower than state contract price.

If an item is not on any state contract, the following thresholds shall apply:

- No bids are required for items priced at \$5,000 or under.
- At least two written quotes are required for items priced from \$5,000.01 to \$50,000.
- Formal sealed bids are required for items priced over \$50,000.

In addition, all purchases in excess of \$50,000 must be advertised in a local paper and a copy of the notification must be sent to the Mississippi Procurement Technical Assistance Center email address at bids@mississippi.org or by fax at (601) 359-5290.

Invoices are processed by Accounts Payable; the phone numbers for Accounts Payable are (601) 877-6168 and (601) 877-4188. The billing information is shown on the Purchase Order. Alcorn State University attempts to ensure prompt processing of vendor invoices. We require an original and two copies of all invoices.

Most of our deliveries will be made to the following address: 1000 ASU Drive, #1169. The “ship to location” will be indicated on our purchase order.

19.4 CONTACT INFORMATION

19.4.1 MAILING ADDRESS

The mailing address of the Purchasing Department is:

Alcorn State University
Purchasing Department
1000 ASU Drive #509
Alcorn State, MS 39096-7500

19.4.2 PHYSICAL LOCATION

The physical location of the Purchasing Department is:

Room 218, Walter Washington Administration/Classroom Building

19.4.3 HOURS OF OPERATIONS

The Purchasing Department is open from 8 a.m. to 5 p.m. on Monday through Thursday and from 8 a.m. to 4 p.m. on Friday. We are closed for legal holidays.

19.4.4 TELEPHONE AND FAX NUMBERS

The telephone numbers for the Purchasing Department are (601) 877-6154 and (601) 877-6153. The fax number is (601) 877-6217.

19.5 VENDOR REGISTRATION

Please send us a cover letter, fax or catalog describing the products or services your company provides along with appropriate contact information and a request to be added to our database. Also, be sure to send a complete **W9** and a **Vendor Maintenance form** for your company.

19.6 INVOICES

Section 31-7-305 of Mississippi state law requires that supplies be paid within 45 days of receipt of goods in good condition or receipt of invoice, whichever is later. Disputed invoices may have a longer period if the reasons are documented, but amounts not in dispute must be paid on time. An interest penalty of 1.5% per month is required to be added on all invoices which are not paid within the 45-day period. Any penalty for late payments will be charged to the department responsible for the delay. The date used as the beginning of the 45-day period is the day the invoice is received by Accounts Payable and is entered into Banner.

Further information on state contracts may be found at the following link:

<http://www.dfa.state.ms.us/Purchasing/Contracts.html>

19.7 CHANGE ORDERS

Changes in an issued Purchase Order must be authorized by the Purchasing Department. In such instances the Purchasing Department will issue a change order (Purchase Order alteration). It is handled in the same way as the original Purchase Order it replaces or changes.

19.8 COMMUNICATION WITH VENDORS

If there is a need to contact a vendor pertaining to an order, the Purchasing Department will be responsible for making the contact. All letters or calls to vendors regarding Purchase Orders and deliveries are to be made by the Purchasing Department. In addition, all changes and substitutions must be approved by the Purchasing Department and communicated by the

Purchasing Department to the vendor in written or verbal format. A department has no authority to authorize changes to the Purchase Order or contract.

19.9 PROCUREMENT CARD

Purchases made using the Procurement Card must be in compliance with the guidelines set forth in the Procurement Card Users Guide and Alcorn Procurement Card Policy. The guidelines may be found using the following link:

<http://www.dfa.state.ms.us/Purchasing/ProcurementCardServices.html>

19.10 STATE SALES TAX

University is exempt from federal excise and state sales tax as noted in MS Code 27-65-105(b).

19.11 CONTRACTS

Only Alcorn State University designated purchasing agents have the authority to place an order directly with a vendor, to enter into a contract or lease or to obligate the University in any way.

Only the issuance of an official Alcorn State University Purchase Order or a contract signed by the University designated purchasing agent or the University's Vice President for Fiscal Affairs may permit the use of University funds. Orders given by phone, the establishment of credit accounts (by an individual other than an authorized purchasing agent) in the name of Alcorn State University and walk-in orders are considered unauthorized purchases.

Only those commitments made through the aforementioned authorized personnel are legal and binding upon the University. Goods and services delivered or acquired through unauthorized methods may result in delays in payment or a personal obligation for the individual making the procurement or commitment.

To obligate the University to pay for an unauthorized purchase, the Director of Purchasing may require a written explanation by the individual initiating the unauthorized purchase and written approval from the appropriate vice president. This explanation and the Vice President for Fiscal Affairs' approval will be included in the contract file for audit purposes.

An approval by the Board of Trustees of State Institutions of Higher Learning (IHL) is required for all contracts or purchases of more than \$250,000.

19.12 PURCHASE ORDER SUBMISSION

Here are guidelines regarding the submission of a Purchase Order to the Purchasing Department.

- Initiating the online requisition is the first step in the process to create a Purchase Order.

- The online requisition form is located in Banner Finance.
- From the information received on the requisition, a Purchase Order hard copy will be generated by the Purchasing Department.
- This hard copy will then either be mailed or faxed to the vendor.
- The preferred use of a sole source vendor for orders exceeding \$5000 requires a letter of justification from the requesting department, giving the reasons why the purchase should not be subject to the bid process.
- Ongoing system training in the requisition process is offered by the Purchasing Department to newly appointed staff or anyone unfamiliar with the system.

Please note that the Central Data Processing Authority (CDPA) has given the university an exemption on the purchase of computers and telecommunications equipment of \$250,000 and less. The purchase of computer and telecommunications equipment below these levels do not require CDPA approval but must comply with state purchasing laws. The purchase of computer and telecommunications equipment with 100% federal funds for any dollar amount are exempt from CDPA approval but must comply with state purchasing laws.

19.13 SOLICITATION OF BIDS

All official requests for prices in the form of bids or proposals for all materials, services and equipment purchased must be made by the Purchasing Department unless otherwise delegated by the Purchasing Department in writing. Request for Bids are issued based on technical specifications provided by the endorser. Specifications, in general, should be broad enough to foster competition and still meet the needs of the department. Bids are typically issued for a minimum two- to four-week period, unless otherwise approved by the Purchasing Department. Once a bid has closed, all responses will be summarized and sent to the authorized endorser for review.

It is the responsibility of the endorser to review the bids received in detail before providing an award recommendation to the Purchasing Department. Awards should be made to the lowest responsible and responsive bidder whose bid conforms to the specifications and meets all requirements and criteria set forth in the Request for Bid. The rejection of any low bid based on failure to meet the bid specifications must be clearly documented for review by the Purchasing Department.

19.14 REQUESTS FOR PROPOSALS

Requests for Proposals (RFPs) are used for purchases that are highly technical or more complex in nature, for which various configurations or products or services may be proposed to meet the University's requirements. RFPs are evaluated based on a combination of cost, mandatory requirements and desirable criteria as outlined in the specifications. A minimum of 50% of the

total points must be based on cost; any exception to this minimum requirement must be approved by the Director of Purchasing. The financial evaluation is performed by the Purchasing Department separate and apart from the endorser evaluation of the mandatory/desirable criteria. The RFP is awarded to the respondent receiving the most overall points.

19.15 SOLE SOURCE PURCHASES

Some items/services cannot be competitively purchased due to their sole source nature. In such a case, the unique characteristics of the product or service must be clearly described. In addition, it must be documented that an exhaustive search revealed that no comparable alternative exists in the marketplace. The related documentation should be provided to the Purchasing Department on the justification letter answering the questions for a sole source. If an item/service is available from the manufacturer and/or multiple distributors, the purchase would not be approved as a sole source.

19.16 PARTICIPATION BY MINORITY BUSINESS ENTERPRISES

It is the policy of the University to ensure full and equitable economic opportunities to persons and businesses that compete for business with the University. The University expects participation in contracts for goods and services by firms that are certified as Minority and Women Business Enterprises (M/WBE). This may either be by the primary contractor being a qualified M/WBE or by the utilization of M/WBE suppliers by the primary contractor. Contractors are required to make a “best effort” in support of the University’s policy. The following procedures implement the University’s guidelines for encouraging increased participation by minority-owned business enterprises in general procurement activities.

19.16.1 USE OF MINORITY AND WOMEN OWNED BUSINESS ENTERPRISES (M/WBE)

Cardholders are encouraged to utilize Minority and Women Owned Business Enterprises (M/WBE) for purchasing card transactions whenever possible.

19.16.2 BID PROCESS FOR M/WBE ENTERPRISES

Bids issued by the Purchasing Department will be sent to all qualified, known M/WBE companies included in the vendor database.

19.16.3 TIE BIDS AND M/WBE ENTERPRISES

In case of a tie bid between an M/WBE vendor and a non-M/WBE vendor, where both are Mississippi firms, the award should go to the M/WBE vendor; however, if one vendor is a Mississippi firm and the other is not, the award should go the Mississippi firm.

19.17 UNIVERSITY BOOKSTORE

The ASU Bookstore shall provide authorized charge sales for supplies to University departments and offices at a 10% discount. Departments who wish to utilize the Bookstore to purchase supplies shall provide the Bookstore with an official University Purchase Order or Procurement Card.

19.18 CATERING

All food and refreshments served in the Clinton Bristow Dining Facilities must be purchased through University Catering unless prior approval is obtained from University Catering. University Catering also offers complete catering services at other locations on and off campus for both University and non-University events.

19.19 FACILITIES IMPROVEMENT PURCHASES

Campus departments are prohibited from directly purchasing construction materials that will be used to improve physical facilities. All construction, renovation or rehabilitation efforts must comply with all applicable laws, building codes, standards, regulations and labor agreements and shall be coordinated by Campus Facilities.

19.20 PURCHASE ORDER TERMS AND CONDITIONS

The terms and conditions for University purchase orders are as follows:

- All goods must be shipped to F.O.B. unless stated on Purchase Order.
- Our Purchase Order numbers must appear on boxes, packages, shipping memoranda, invoices and correspondence. Mark the outside of each box and/or package to identify contents. Packing lists must accompany all shipments. The University will not be responsible for delayed payment if Purchase Order numbers are omitted from invoices.
- Address all correspondences concerning the order to the Purchasing Agent at 1000 ASU Drive #509, Alcorn State, MS 39096.
- Any changes in Purchase Orders (quantity substitution of material, price supplementary charges, etc.) must be approved in advance by the designated buyer stated on the face of the Purchase Order
- It is understood by acceptance of the Purchase Order that the University reserves the right to cancel all or any part of the order upon which delivery has not been made within 30 days of order date or by other specified delivery date included herein.
- Seller agrees in accepting the Purchase Order to comply with all applicable local, state and federal laws and regulations.
- All cash discounts allowed are taken with start date as or receipt of invoice or merchandise, whichever is later.

- No additions can be made to the Purchase Order.
- Any additional terms and/or changes submitted or referenced by vendor will not apply unless accepted and agreed upon by the University in writing.
- The Purchase Order shall not bind the University for an amount in excess of that noted on the face hereof. In case property of the value in excess thereof is forwarded to the University hereunder, the University may at its election return the property at the invoice price or return it to the vendor at vendor's expense.
- C.O. D. shipments will not be accepted.
- Vendor agrees to defend, protect and save the University harmless from all claims and actions arising out of patent infringement.
- Risk of loss or damage to the goods prior to the time of their receipt and acceptance by the University is upon the vendor.
- Vendor agrees to unconditionally guarantee all items bid upon against defects in material and workmanship for a period of one year from date of acceptance by the University unless otherwise specified.
- When required, samples must be furnished.
- Materials and services furnished to the University are not subject to either federal excise tax or the Mississippi state sales tax. Exemption certificates will be furnished on request.
- With regard to Debarment and Suspension Certification, the contractor certifies to the best of its knowledge and belief that he or she and his or her principals are not presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from covered transactions by any federal department or agency in accordance with Executive Order 12549 (2/18/86).

19.21 SMALL PURCHASE PROCUREMENT PROGRAM

19.21.1 PROGRAM MISSION STATEMENT

The Small Purchase Procurement Program is designed to provide an alternative procurement method that will enhance the University's productivity and efficiency and reduce administrative costs, while maintaining the fiscal integrity of the University's procurement and budget programs.

19.21.2 PROGRAM PURPOSE

Alcorn State University's Small Purchase Procurement Card Program is designed to improve the efficiency in processing small dollar purchases from vendors that accept the Visa/Master Card Purchasing Card. This program shall allow the cardholder to purchase approved commodities and services directly from University-authorized vendors. Each procurement card is issued to a named individual. The University is clearly identified on the card as the government buyer of goods and services. Purchases are exempt from sales tax.

19.21.3 PROGRAM ADMINISTRATOR AND PROGRAM LIAISON

The University's Procurement Card Program Administrator is the Vice President for Fiscal Affairs who may be reached at (601) 877-4701.

The University's Procurement Card Liaisons are the Purchasing Agent who may be reached at (601) 877-6154 and the Director of Financial Services who may be reached at (601) 877-6168.

19.21.4 ELIGIBLE CARDHOLDERS

All University deans, directors, department heads and vice presidents are eligible to obtain a University Procurement Card. The card is not to be used by contractors working for the University. Application forms may be obtained by contacting the Purchasing Office at (601) 877-6154. Authorization is required by the Vice President for Fiscal Affairs before a card can be issued. United Missouri Bank will issue the cards.

19.21.5 CARD ISSUANCE

Once the approved Procurement Card is received from United Missouri Bank, the Program Administrator will contact the applicant for the execution of the cardholder agreement and the distribution of the policies and procedures manual.

19.21.6 CARD PROGRAM CONTROLS AND LIMITATIONS

The University has established minimum controls and limitations for the use of the Small Purchase Procurement Card. The University's Purchasing Card Program incorporates the following limitations/controls:

The state issued policies and procedures are as follows:

- Assure that the commodities purchased are required for bona fide government purposes.
- Assure that the prices paid are fair and reasonable.
- Notify the merchant that the purchase is being made in the name of a government entity which is exempt from state and local taxes.
- Assure that a list of the commodities purchased (either in the form of a detailed sales receipt or an order description) is reviewed and confirmed by the cardholder.
- Assure that all commodities are received (no back orders allowed).
- Assure that state contract commodities are purchased only from the state contract vendor at or below the state contract price.

- Assure that purchases are within the limits set by the individual agency and available budget authority.
- Assure that no purchases are made from hotels, motels or restaurants.
- Assure that no cash advances are made with the card.
- Upon receipt of the monthly statement, the cardholder shall review all charges to assure accuracy, complete applicable dispute documents, reconcile the statement with copies of receipts and order logs and approve and sign the statement. Forward the statement, original receipts, logs and dispute documents to the appropriate officials, within the University according to University policy. This should be done within one day after receipt of the statement.

The department shall submit a purchase requisition to establish a Purchase Order to United Missouri Bank on a quarterly, semi-annual or annual basis to the Office of Fiscal Affairs encumbering funds for projected expenditures on the Procurement Card. Departments shall monitor their balances to ensure that funds are available prior to receiving the monthly statement.

The University has established pre-set limitations or controls for each Procurement Card issued based on the purchasing need of individual departments/cardholders. If the pre-set limitations or controls set for the department are not sufficient, individual departments/cardholders should submit a written request for an adjustment to the Program Administrator.

Merchants who accept Visa/MasterCard have been assigned a Merchant Category Code (MCC). Specific MCCs are excluded from use on all University Procurement Cards. These exclusions will cause a transaction to decline at merchants registered with these codes. Please note that if a merchant accepts Visa/MasterCard, but does not accept the card, please contact the Program Administrator to check the Merchant's MCC Code.

19.21.7 DIFFERENCES BETWEEN THE UNIVERSITY'S PROCUREMENT CARD AND A PERSONAL CREDIT CARD

This credit card is used like a personal credit card. However, with a Procurement Card, there are differences that cardholders should know:

- The cardholder is responsible and liable for all charges made on the card. Unlike personal credit cards, which have limited liability if lost or stolen, the University is liable for all purchases made with a Procurement Card. This liability is subject to negotiation in that disputed charges can be rectified by written notification to United Missouri Bank. United Missouri Bank will investigate and determine whether the University is liable for the charge(s).
- There is no personal liability on the card unless the cardholder violates the terms of card use set forth herein or as specified in your Cardholder's Agreement.

- United Missouri Bank bills the transaction charged to the Procurement Card directly to the University even though the name of the Cardholder is on the Card. The merchant is generally paid by Visa within 48 hours of when the merchant gives/transmits the transaction to Visa.
- The Procurement Card should be treated with even more care than given to a personal credit card. Remember, it is University property and you are responsible for the security. Never use the card to make a personal purchase.
- Guard the Procurement Card account number closely. Do not post it anywhere at work or write it in any place that is easily accessible to others.
- The person, to whom the card is issued, is the ultimate responsible party regardless if he or she authorizes another employee usage.

19.21.8 VIOLATIONS AND PENALTIES

Below are four types of procurement card purchasing violations and an explanation of what is an appropriate penalty for each type of violation. The Program Administrator will record all violations, and notification will be forwarded to the violating department. The Program Administrator and the Vice President for Fiscal Affairs will take appropriate action. The Program Administrator and the Vice President for Fiscal Affairs have authority to cancel a card at any time. Violations include:

- **Personal Purchases.** This is defined as anything that is not purchased for use and ownership by the University. It is a violation of University policy to make any personal purchase or personal transaction with a Procurement Card. Should this policy be violated, the University must be reimbursed immediately for the amount of the personal purchase. The card may be revoked. Any violation of this policy may be investigated and could result in termination and/or criminal prosecution. The Program Administrator and the Vice President for Business Affairs will determine the appropriate consequence.
- **Unauthorized Purchases.** This is defined as purchases or services with state funds that may not be used to further the legitimate government purpose of the buying entity. This is clearly a violation of state purchasing laws and the violator's cards will be revoked.
- **Cash or Cash Type Transactions.** This is defined as cash, cash in addition to purchase and cash in lieu of credit for the return or exchange of a purchase. It is a violation of University policy to make cash or cash type transactions using the University Procurement Card. Violation of this policy shall result in having the card revoked and possible further investigation that could result in termination and/or criminal prosecution. The Program Administrator and the Vice President for Fiscal Affairs will determine the appropriate consequence.

- **Split Purchases.** A “split” purchases occur when single purchases costing more than \$5,000 (or the particular transaction limit) are split into multiple Procurement Card transactions to circumvent the \$5,000 maximum. It is a violation of University policy to split purchases as described. Violation of this policy may result in card revocation.

19.21.9 CARD TERMINATION

The card may be terminated for the following reasons:

- **Termination of University Employment.** When a cardholder terminates employment with the University, the department head or individual cardholder has the specific obligation to return the Procurement Card to the Program Administrator prior to the employee termination date. Failure to do so may result in the department being responsible for payment of any fraudulent charges and revocation of all department privileges. Fraudulent charges will be reported to the University Police Department, which may result in criminal charges, and the terminated employee will be expected to reimburse the University. Notice will be provided to the Human Resources Office of all individuals who have been assigned a Small Purchase Procurement Card, with the understanding that the Human Resources Office will provide notification to the Program Administrator when a cardholder’s employment status has changed.
- **Transfer to a Different University Department.** When a cardholder changes employment from one University department to another, the department head or individual cardholder has specific obligation to return the Procurement Card to the Program Administrator prior to the effective date of change. Failure to do so may result in revocation and/or cancellation of the card. Notice will be provided to the Office of Human Resources concerning all individuals who have been assigned a Procurement Card, with the understanding that the Office of Human Resources will provide notification to the Program Administrator when a cardholder’s employment status has changed.
- **Insufficient Budget.** Payments to United Missouri Bank will not be delayed due to insufficient department budgets. If payment is late, everyone affected by the account in question will be deactivated immediately until the full balance is satisfied. The cards will be reactivated after the account issues are resolved. Repeated late payments due to the budget issues will result in deactivation for a period of not less than 3 months at the Program Administrator’s discretion.
- **Use by Another Employee.** Department heads and/or individual cardholders allowing cards to be used by other departmental employees without having established internal controls and accountability guidelines are the parties ultimately responsible for any and all transactions made on the account.

- **Violation of Purchasing Procedures.** If the cardholder violates any Procurement Card procedure outlined here, the Program Administrator may provide one-on-one training or the card may be deactivated immediately at the Administrator's discretion. If the card is deactivated, the cardholder will be subject to a minimum 3-month waiting period and will be required to attend training before the card will be reactivated. Repeated violations may result in the Procurement Card being permanently terminated at the Administrator's discretion. If the violation appears fraudulent or abusive, the cardholder may be subject to personal liability and/or disciplinary action which may include termination of employment or possible criminal penalties.
- **Failure to Promptly Report a Lost or Stolen Card.** If a cardholder fails to make a report of a lost or stolen card immediately upon discovery, the cardholder may be required to reimburse the University for any fraudulent charges made on the card until it has been cancelled.

19.21.10 OTHER CONDITIONS

The following is a list of minimum conditions, instructions and limitations required for all transactions utilizing the Procurement Card:

- The commodities purchased are required for bona fide University purposes.
- The merchant understands the purchases are being made in the name of the University which is exempt from state and local taxes.
- The prices paid are fair and reasonable.
- No equipment or property item costing \$500 or more that is required to be placed on inventory or no capital item that falls within the categories listed on Attachment D shall be purchased using the Procurement Card regardless of cost.
- Professional Services and Service Maintenance Contract/Agreements purchased using the card must be with the approval of the Program Administrator.
- State contract items shall be purchased at state contract price or lower.
- A detailed sales receipt accompanies all purchases.
- No back orders will be allowed on the card. Verify that phone orders are in stock and ready for immediate shipment or that purchase will be charged only at or after date of shipment.
- No ATM cash withdrawals will be allowed on the card.

- No travel, restaurant or entertainment expenses will be charged to the card.
- No personal use of the Procurement Card will be authorized or allowed.
- No maintenance agreements will be charged on the card.
- No gifts, incentives, contributions, awards or purchases made for donations should be purchased using the Procurement Card.
- No Procurement Card transaction may exceed the single transaction limit set for the issued card.
- No purchases are allowed for clothing, lingerie, shoes, jewelry or luggage. (Discount stores are allowable.)
- No alcoholic beverages are to be purchased.
- No single purchase transaction costing more than \$5,000 is to be made.
- No animals of any type, dead or alive are to be purchased.
- No cash advances are to be made.
- No purchase of a copier may be made.
- No fines or penalties are to be paid.
- No firearms, ammunition and explosives may be purchased.
- No flowers or floral arrangements except for those used for defined University functions are to be purchased.
- No payments for legal fees are to be made.
- No loans and advances are to be taken.
- No material prohibited by state or federal law (like fireworks or controlled substances) is to be purchased.
- No narcotics and/or drugs are to be purchased.
- No purchases from ASU employees are to be made. This is against state law.

- No purchases are to be made in which an ASU employee has a conflict of interest, and/or that employee participates in the purchase process. This is against state law.
- No radioactive materials are to be purchased.
- No rare or precious metals are to be purchased.
- Splitting purchases to circumvent the bid/quote limits is prohibited.
- Payment of outstanding invoices is prohibited.
- Local gasoline and oil purchases (except when returning a rental car) are prohibited.
- No local vehicle repairs may be purchased unless approved by Program Administrator.
- Purchase of University Central Store inventory items is prohibited.
- No telephone calls are to be purchased.
- Purchase of any merchandise, product or service normally considered being inappropriate use of University funds is prohibited.
- Payment of emergency and routine services or repairs is prohibited.

Violations of any of the above listed conditions may result in revocation of card.

19.21.11 ALLOWABLE PURCHASES

The Procurement Card may be used to purchase the following items and/or services:

- Emergency building/landscape materials.
- Catering and food for business use. (This applies to Food Service only.)
- Office supplies not in Central Stores inventory.
- Software. (This requires Program Administrators and CITS's approval.)
- Approved commodities and services from vendors who do not accept University Purchase Orders.

- Internet purchases that fall within state purchasing laws or those approved by the Program Administrator.

19.21.12 INSTRUCTIONS FOR PROCUREMENT CARD PURCHASES

The instructions for making purchases with the Procurement Card are as follows:

Step 1: Make a tax exempt purchase, obtaining discounts and competitive quotes where possible. After you have identified a needed purchase, make sure it is an allowable purchase under the University's Procurement Card Policy. Obtain competitive quotes if prudent and appropriate. Obtain the best possible price: remember that many vendors offer government discounts.

Many of the purchases will be made at the store in person. However, you may also make purchases over the phone, by fax, mail and over the Internet. Ensure that you purchase the product tax-exempt. The University's tax exemption number is available by contacting a representative in the Purchasing Office at (601) 877-6154.

Shipping/delivery costs must be inclusive within the total transaction cost and not billed separately.

Step 2: Receive the goods and obtain a receipt. When you make a purchase at a store, you will receive the goods and obtain a receipt at the time of purchase. Goods ordered by phone, fax and mail and over the Internet will be received in the mail or by fax.

Every purchase must be documented with a receipt which will typically be a standard store receipt. If you are having a purchase shipped to you, request an invoice marked 'paid' in addition to the packing slip in order to have adequate receipts that include total costs.

You should keep the charge slip attached to the receipt for each transaction. Keep all receipts for use in the reconciliation of your account statement. All receipts must contain the following information:

- Date the purchase was made
- Merchant identification (name)
- An itemized description of items purchased, including quantity
- Per item cost
- Total cost
- Cardholder identification (card account number or your name)
- Signature of purchaser

Remember: It is important and mandatory to save all Procurement Card receipts, invoice copies and detailed store cash register receipts. If the original receipt is not available from the merchant or if it has been lost, you must submit a **Missing Document Affidavit**.

Step 3: Verify the goods received are what were ordered. Make sure you got what you needed. The cardholder is responsible for working with a merchant to correct any problems with the goods received.

Step 4: Reconcile and submit monthly statements. This is done in the following manner:

1. Submit a requisition for United Missouri Bank to the Office of Business Affairs to have a Purchase Order issued for proposed quarterly, semi-annual or annual expenditures.
2. Attach all receipts for purchase to the Account Summary Log. The receipts should total the amount indicated for payment on the Account Summary Log and the United Missouri Bank invoice.
3. After all supporting documents are attached and approval signatures of the department head are obtained, please forward documents to the Purchasing Office for auditing and approval by Program Administrator.
4. After auditing and approval, the Purchasing Office will submit invoices to Accounts Payable for payment.
5. All documents should be received in the Purchasing Office no later than the 10th of each month.

Procurement Card purchases should be managed daily in order to avoid last-minute delays with documentation.

19.21.13 LATE PAYMENTS

Receipts that are received in the Purchasing Office after the 10th of the month are considered late. Late receipts may result in the suspension of card privileges. The Program Liaison will notify the department in writing if its receipts are not received by the 10th of the month. A total of 2 consecutive late receipts will result in temporary suspension of privileges. A total of 3 consecutive late receipts will result in revocation of privileges. If a department's card is revoked, the department may apply for privileges after 3 months pending mandatory training on Procurement Card policies and procedures. The Program Administrator reserves the right to revoke card privileges at any time. Receipts must be received in the Purchasing Office no later than the 10th of each month to ensure timely payment to United Missouri Bank.

19.21.14 TRANSACTION DISPUTES

If there is a dispute about a transaction, the cardholder should first try to resolve it with the merchant. If an item has been charged but has not been received, the cardholder should contact the merchant to verify shipment date. If the item has been or will be shipped soon, it is

recommended that the charge be paid at the time of the billing cycle. If the charges are paid but not received by the end of the next billing cycle, the cardholder should contact the Program Administrator or the Program Liaison for assistance in resolving the problem.

Disputed amounts that are not resolved with the merchant must be declared by written notice to United Missouri Bank within 60 days of receipt of statement on which the disputed item(s) first appears.

19.21.15 LOST OR STOLEN CARDS

If your University Procurement Card is lost or stolen, immediately report lost or stolen cards as soon as the loss or theft is discovered. Contact the bank immediately at (800) 821-5184. The cardholder should contact their program coordinator. The contractor will mail replacement cards within 48 hours after receiving the report of a lost or stolen card.

Note: Until the card is reported as lost or stolen, charges made on your card by a third party are your department's responsibility until the satisfactory resolution of disputed purchases.

Please note that the policies and procedures provided herein are minimal standards for the University Departments. Department directors may establish additional controls.

19.21.16 FOOD CHARGES ON THE PROCUREMENT CARD

Food purchases for business meetings may be purchased on the Procurement Card. The Procurement Card Program has been expanded to allow food purchases for business meetings provided that the following requirements are met:

- The purchase of food must serve a legitimate business purpose.
- More than one person must be present for the purchase of food.
- No alcohol may be purchased.
- Any gratuity over 20% requires a written justification.

Food may be purchased in restaurants, grocery stores or any location that food is sold. The food may be purchased for pick up, delivery or dine in. Purchases for food for business meetings require that an Office of Purchasing and Travel form be completed. This form is located on the Office of Purchasing and Travel website and in the appendix of the User's Guide. Required attachments to the Procurement Card statement are the meeting agenda, list of attendees and itemized invoice indicating the breakdown of expenses. If the food is purchased for the agency rather than for business meetings (for example, bulk food), please note this situation on the receipt and do not complete an Office of Purchasing and Travel Food Purchase form.

Food may not be purchased by an individual while traveling. These charges must go through the respective Travel Departments

Food may be purchased through a caterer as long as the caterer is incorporated. The Office of Purchasing and Travel Procurement Card is not 1099 reportable; therefore, only incorporated businesses are eligible for catering. It is the agency's responsibility to determine if a business is incorporated.

19.21.17 HOTEL CHARGES ON THE PROCUREMENT CARD

The state of Mississippi Procurement Card may be used for payment of hotel charges for visitors of the state. This may include guests, speakers, visitors and potential job applicants. This charge is only allowable when the guest is visiting the state of Mississippi.

The Procurement Card may not be used to pay for hotel charges of the state of Mississippi employees. State employees must make arrangements to pay their hotel charges through the respective Travel Department. Do not give the Procurement Card number to a hotel to reserve a room for a state of Mississippi employee. It is possible that the hotel will charge the room to the card. If this happens, the Procurement Card account must be reimbursed by the cardholder.

A Hotel Charges form for visitors must be completed with two signatures and attached to the receipt for each hotel charge. The Hotel Charges form is located on the Office of Purchasing and Travel website and the appendix of the User's Guide.

19.21.18 CONTRACTUAL SERVICES

The Procurement Card may be used for the payment of Contractual Services with one requirement. A business must be incorporated for use of the Procurement Card when paying for Contractual Services. The Procurement Card is not set up to be 1099 reportable to an individual, partnership and certain types of LLCs.

It will be the responsibility of the cardholder to determine the business structure when paying for a service. If the business structure is not specified on the receipt, please attach a document to the receipt identifying the business structure.

Please do not give your card number to a business for a recurring monthly charge. You may use your card for payment of these services as long as you are invoiced and have control over the payment process. We do not want anyone to have the ability to charge our card monthly without prior knowledge.

19.21.19 MISCELLANEOUS CHARGES

The Procurement Card may be used to pay for the following:

- Conference registrations
- Memberships
- Software, provided you are not signing a licensing agreement
- Auto rentals regardless of the provider but not while in travel status

- Freight/Shipping charges
- Postage/Post office box rental
- Subscriptions/Publications
- Reprints
- Advertising
- Space rental at conferences or conventions

19.21.20 MINIMUM REQUIREMENTS FOR USE

The following are the minimum requirements for use of the Small Purchase Procurement Card Program. Individual agencies may decide to implement stricter or additional requirements. Agencies should develop written policies and procedures to present to cardholders prior to receipt of the card. The cardholder shall:

- Assure that the commodities purchased are required for bona fide government purposes.
- Assure that the prices paid are fair and reasonable.
- Notify the merchant that the purchase is being made in the name of a government entity, which is exempt from state and local taxes.
- Assure that a list of the commodities purchased (either in the form of a detailed sales receipt or an order description) is reviewed and confirmed by the cardholder.
- Assure that all commodities are received. (No back orders are allowed.)
- Assure that state contract commodities are purchased only from the state contract vendor at or below the state contract price.
- Assure that purchases are within the limits set by the individual agency and available budget authority.
- Assure that no purchases are made from hotel, motel or restaurants.
- Assure that no cash advances are made with the card.
- Upon receipt of the monthly statement, the cardholder shall review all charges to assure accuracy, complete applicable dispute documents, reconcile the statement with copies of receipts and order logs and approve and sign the statement.
- Forward the statement, copies of receipts, logs, and dispute documents to the appropriate official within the agency according to agency policy. This should be done within one day after receipt of the statement. The documents may be mailed, but it is recommended that these items be sent via fax machine.

19.22 RESPONSIBILITIES OF AGENCY LIAISON OFFICER

The Agency Liaison Officer will take the following actions:

1. Review statements and applicable documents to assure that only proper purchases have been made and that the statement accurately reflects the charges indicated on the receipts, logs and dispute documents. If correct, the Agency Liaison Officer will approve the statements for payment and process to the Agency Accounting Office.
2. Submit the dispute documents to United Missouri Bank for review and will submit copies to the Agency Accounting Office. The Agency Accounting Office will reconcile all statements against the master statement and submit a requisition for a single warrant to be paid. The requisition will indicate a request for payment for Procurement Card purchases. Agencies may determine to have additional checks and balances. Some examples would include a requirement for an approved requisition prior to purchases being made, additional approval levels, etc. It is required that the agency maintains a file with the statements and all applicable receipts and dispute documents. The cardholder shall sign a statement verifying that he or she has read these minimum requirements and any additional policies established by the agency; that he or she understands that he or she will be personally liable for any purchase that is made which is not in compliance with these procedures; that he or she will be responsible for any such charges; and that as a result he or she may lose the privilege of using the Procurement Card. The Agency Liaison Officer shall sign a statement verifying that he or she has read these minimum requirements and that it is understood he or she may be held jointly liable for any purchase that is approved by the Agency Liaison Officer but is not in compliance with these procedures. In addition to being responsible for any such charges, the agency may lose the privilege of using the Procurement Card program.

19.23 SPECIAL INVENTORY ITEMS

In compliance with the Mississippi Office of the State Auditor, all agencies and universities are required to maintain a complete and current inventory list of each property item (Section 23-9-21), which costs \$500 or more unless the items purchased fall within the groups listed below.

These items will be reported as equipment, regardless of their purchase value:

- Weapons
- Cameras and camera equipment
- Tape recorders
- Two-way radio equipment
- Typewriters

- Appliances (including refrigerators, freezers, air conditioners, stoves, microwave ovens, etc.)
- Televisions/VCRs
- Lawn maintenance equipment
- Sterling silver
- Cellular telephones
- Computers
- Major computer components
- Chain saws
- Air compressors
- Welding machines
- Generators
- Motorized vehicles
- Dictating equipment
- Antiques