

La Salle University

Accounts Payable and Purchasing Manual

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INTRODUCTION

University Accounts Payable and Purchasing Procedure, Policy, Authority & Role

The Accounts Payable and Purchasing Department has been established to serve the needs of the University community by assisting in the procurement of the supplies, equipment and services they require at the lowest reasonable cost. Accounts Payable and Purchasing can only provide the level of service required by using departments with everyone's cooperation. The purpose of this manual is to indicate how this mutual cooperation can be achieved.

How to Use This Manual

This manual may be used in a number of ways. New faculty or staff may wish to read it to gain the basic knowledge of how the requisitioning, procurement and payment systems work at La Salle. More experienced faculty and staff members can use the manual as a reference book to answer questions concerning procedures and/or the proper way to complete the forms involved.

Forms

The forms used in the Requisitioning, Procurement and Payment systems together with instructions for their completion are illustrated in Appendix A.

Tax Status

La Salle University is classified as a non-profit educational institution and, as such, is exempt from the Pennsylvania Sales & Use Tax, unless otherwise noted in the tax laws. Most other states allow their merchants to honor this exemption, however, some states may require tax payments for goods and services. Additional information regarding specific situations may be obtained from the Accounts Payable and Purchasing Department.

Authority to Requisition

Department Heads are responsible for adherence to their budgets. Approving Requisitions and Purchase Requests is one method for monitoring the unit's expenditures. While it may be delegated, the authority to approve requisitions and requests resides with the Department Head.

The Accounts Payable and Purchasing Department's Objectives:

- Serve in an ethical, friendly and professional manner, as an effective liaison between user departments and vendors.
- Act as a "prudent buyer" in support of the University's cost containment efforts, effecting savings and economy of University resources.
- Maintain a current knowledge of manufacturing technology, vendor competence, and competitive market conditions, as they relate to the material, equipment, supply and service requirements of the University and to act as an information center on sources of supply.
- Cooperate with departments on standardization objectives.
- Have contractual obligations fulfilled to the meaning and intention of the contract.
- Develop and help implement material management and purchasing programs, in coordination with user departments, to ensure timely and effective support at the lowest reasonable cost.

- _ Handle the mechanical operations of procurement; obtaining competitive bids, ordering, expediting, resolving discrepancies and making adjustments.
- _ Refrain from engaging in any activity the primary purpose of which is to financially benefit any individual.
- _ Review programs and institute changes where necessary.

Requisitioner's Responsibilities

Effective purchasing requires a joint effort by faculty, staff members and Accounts Payable and Purchasing. Cost reductions result in increased purchasing power for departments and savings for the University. In order to achieve Accounts Payable and Purchasing's goal of providing a high level of service to all departments, the following basic procedures should be followed:

- _ **Anticipate Requirements** sufficiently in advance to allow time for quotes, and to effect timely delivery.
- _ **Be Specific** when preparing requisitions and requests. Include all details required on the form.
- _ **Routinely Direct Vendor Representatives to Purchasing.** University personnel usually have too many other more important matters to attend to than to spend considerable time with vendors. Accounts Payable and Purchasing will initiate vendor contact, obtain information about the item, make recommendations and, if necessary, arrange for vendors to visit departments.
- _ **Only Accounts Payable and Purchasing should make commitments to vendors.** Because it coordinates the needs of the various Departments, Accounts Payable and Purchasing frequently obtains better prices than individual units. Also, by standardizing commonly used types of items and combining volumes throughout the University, quality is maintained or upgraded while costs are contained or reduced.
- _ **Keep Price Quotations Confidential.**
- _ **Inspect ALL Deliveries Immediately and Carefully** for any damage, then promptly sign and forward the packing slip to the Department Head. The signature approval of the Department Head on the resultant invoice indicates acceptance of the shipment without problem.
- _ **Approve and Forward Invoices promptly** when sent to you for approval. *Invoices allowing cash discounts should be given immediate attention.* Late payments create a bad credit rating and payment history for the University in addition to incurring interest charges and subjecting the department to unnecessary expenses.

Selection of Vendors

Requisitioning departments are encouraged to suggest potential vendors for the items and services required, on their Purchase Request. Such suggestions will be honored whenever practical, however, vendors should be chosen on the basis of value. Some of the factors involved in vendor selection include:

- _ Product Quality
- _ Reliability and Delivery of Services
- _ Competitive Pricing

- Technical Capabilities
- Financial Stability and Integrity
- Geographic Location

Accordingly, the Director of Accounts Payable and Purchasing is expected to:

- Develop and maintain a sufficient list of responsible vendors to assure competitive bidding.
- Obtain competitive bids where required.
- Keep the requisitioner informed and advised of any unusual circumstances which may affect the delivery of the items or services requested.
- Promptly assist with adjustments and complaints.

Quality

The Accounts Payable and Purchasing Department is committed to procuring materials of a quality suitable for their intended use and to assist the University's departments in determining and specifying the required quality of such materials. Quality is the measure of an item's ability to meet the users' necessary requirements. The essential elements of quality must be defined by the user at the time of purchase by specifying the characteristics needed. Over specifying the quality required is not cost effective and may add unnecessarily to the cost. Communication of quality standards is essential to assure that, what is required is actually being purchased. Quality may be expressed in several ways:

- Specific performance requirements
- Detailed physical or chemical characteristics
- Design configuration, blue prints, drawings and/or dimensions
- Commercial standard or grade
- Acceptance of a brand name or equal (listing as many acceptable alternates as possible to ensure competition)
- Conformance to an actual sample submitted

Economic factors must be considered. A costlier brand is not necessarily the most suitable one nor automatically more durable. Experience or knowledge of performance aids in the development of requirements. Adoption of proven items for use assures their availability when needed.

The responsibility for maintaining appropriate quality standards requires the combined efforts of the user department and Accounts Payable and Purchasing as follows:

- The user department establishes quality specifications, with the help of Purchasing, for eventual purchase of supplies or services.
- Purchasing supports a requester's quality requirement and conveys this information to the vendor(s).
- Purchasing ensures that adequate quality specifications are included in each request for quotation and purchase agreement.
- Purchasing investigates quality complaints against vendors, when so notified, to an acceptable conclusion.

Competitive Bidding

A minimum of three (3) written competitive bids is required for all purchases in excess of \$2,500.00. Justification, on the Purchase Request, is necessary to waive competitive bidding or to enter into a sole source, single source, or other than least cost contract and must be approved by the Provost or area Vice President, as appropriate.

ACCOUNTING SYSTEM

Identifying the Budget Source

To successfully complete a purchase, the purchase must be charged to a budget with unencumbered funds available. La Salle's Account Numbers consist of **nineteen (19)** digits, broken down into the following four (4) components:

- _ Fund (6 digits)
- _ **Organization** (6 digits)
- _ **Account** (5 digits)
- _ **Program** (2 digits)

The Departmental Budget Report lists the expense accounts and shows the amount of available funds. A list of the more commonly used expense codes is contained in Appendix A.

Encumbrances

The Encumbrance system was developed to keep the University aware of its outstanding obligations and to help the Department in monitoring its budget. As explained previously, any purchase has to be charged to a budgeted account. The Encumbrance system ensures that the account being charged has sufficient funds budgeted to accommodate the purchase. An encumbrance is created when a Purchase Order is issued and remains in the department's account until the payment is made to the vendor or the Purchase Order is canceled.

Disencumbering Funds

There may be instances when encumbrances are not relieved from an account due to an error in processing even though payment has been made to the vendor. To request that an encumbrance be cleared, send a memo to the Assistant Director of Accounts Payable and Purchasing explaining why the encumbrance should be removed (i.e. order was canceled, invoice paid but encumbrance still shows as being in place, etc.)

PROCEDURES

Office Supplies

Since Office Supplies are used by every Department, La Salle can realize significant benefits by consolidating the University's purchasing power with a **single** full service vendor. Among those benefits are:

- _ Lower costs (Complete selection of items at discount prices).
- _ Prompt service.
- _ Simpler procedures.
- _ Single source for all office supply items.
- _ Fewer problems when ordering office supply items.

In addition, faculty and staff will be relieved of the time and energy-consuming task of locating competent cost effective suppliers plus the burden of following up on orders.

Source

In order to provide a complete selection of office supply items, a full-service local stationer is selected by competitive bid. The items available under this joint relationship will be reflected in the two (2) catalogs which will be distributed to each department. Those catalogs are:

University Catalog

The University Catalog contains the most *commonly used stationery items* for which the University has negotiated special contract pricing. The contract items include Copier Paper, Legal Copier Paper, 3 Hole Drill 8.5 x 11 Paper, and Computer Greenbar and 9.5 x 11 Continuous Blank Paper. Contract pricing has also been obtained for all printer toner cartridges currently being used by the University departments. Delivery is to desktop next day.

Stationer's Catalog

Illustrates all of the non-contract items stocked or available from the Stationer. The University has obtained special pricing for these items resulting in significant discounts from the list prices shown in the Stationer's catalog.

Procedures

The procedures for ordering and receiving office supplies have been made as simple as possible while retaining the ordering department's ability to track the items ordered until receipt.

Ordering

Complete the Office Supplies Requisition (form 303-1306 rev8/96) and fax to the Stationer. Items from the University Catalog are listed for the user's convenience, with space on the lower portion of the form for the entry of non-contract items. An illustration of the Office Supplies Requisition and instructions for its completion are contained in Appendix A.

Delivery by the Stationer

The order, if faxed before 4:00pm, will be delivered to desktop the following day. In those instances where an item is not immediately available, the Department will be contacted by the Stationer and offered the choice of a substitute item, to wait for delivery of the item, or to cancel the request.

Returns

Items which are incorrectly ordered or delivered may be returned to the vendor for credit. A completed copy of the Office Supplies Return form (303-1307rev8/96) should be enclosed with the item for return, and the Supplier should be called to request pick-up from desktop the following business day. Credit will be applied to the department's budget account, and replacement items will be re-billed upon delivery.

Cost

The cost for the items ordered and delivered during the month, and any credits which apply, will be charged to the Department's budget.

University Catalog Items – The prices for the items listed in the University Catalog will remain in effect for the entire fiscal year (June 1 through May 31).

Stationer's Catalog Items – Each item in the stationer's catalog, which is not contained in the University Contract Catalog, is priced individually. La Salle's average discount for the non-contract items in the stationer's catalog is 55% from the list price shown. If the exact price of a specific item is required prior to purchase, it may be obtained by phoning the Customer Service Agent of the Stationer at the 800 number listed in the catalog. Prices of non-contract items are reviewed, and, revised quarterly (when necessary) by the Stationer effective on the first of June, September, December and March.

Note: Furniture and Computer related equipment are not included in the Office Supplies Contract. The Department Head should contact the Purchasing Department for furniture requirements; Information Technology Department for PC equipment and peripherals.

Emergency/Unexpected Needs - If there is an unexpected need for an office supply item that is stocked in the Campus Store, the user may obtain the item(s) by presenting a completed Departmental Requisition together with the item(s) to the Store Cashier. These sales, however, will receive the customary 10% discount from the Campus Store's regular selling price.

PURCHASED ITEMS

Routine Purchases

A properly completed and approved Purchase Request (form #303-1305) should be used to request procurement of items and services not available through the Campus Store or the Duplicating Department. Requests should be complete and specific to avoid delays and possible return for clarification. Specifications designated on a Purchase Request, including brand names, model and stock numbers, etc. will not be changed by Purchasing without the approval of the individual and/or Department originating the Request. Purchase Request forms may be obtained from Duplicating or Purchasing. An illustration of the Purchase Request and instructions for its completion are shown in Appendix A.

The white "Original" copy of the completed Purchase Request should be sent to Purchasing. The yellow "Requester's Copy" should be retained by the ordering department. When the Requisitioner's copy of the Purchase Order is returned to the Department, it should be checked for accuracy. When the items ordered are received, they should be recorded as outlined in the "Record Keeping Guidelines".

Standing Orders

For certain repetitive or large volume purchases, it is frequently beneficial to issue "Standing" Purchase Orders with releases made on an "as required" or "scheduled" basis. Standing Orders take advantage of the purchasing power of the University's annual requirements without the need to store or pay for the merchandise all at once. Generally, they facilitate order processing and delivery in addition to securing lower prices for the using area(s).

Standing Orders are established to eliminate the necessity for submitting numerous Purchase Requests (form 303-1305) for the same type of items or services such as photographic supplies, monthly rentals, leases of equipment, service and maintenance contracts, etc. Once a Standing Order has been issued, Department's may contact the vendor directly requesting delivery of the supplies or services covered by the contract. Standing Orders generally are issued for a period not to exceed one (1) year, and must be renewed for subsequent years. The Purchase Request for the new year or period should cite the P.O. number of the Standing Order being replaced.

Standing Orders will be issued for supplies and services only. Equipment is generally not purchased using a Standing Order. Each department is responsible for monitoring the status (time frame and amount remaining) of Standing Orders issued for it.

Emergency Orders

When a need for an item or service occurs which could not be anticipated, and, following the normal ordering procedure could jeopardize the Department's operation, the Purchase Requisition should be marked "Emergency Request" and be hand delivered to the Business Office for processing on a priority basis. Include the required date and/or time when the shipment or services must be received. If applicable, indicate approval for overnight or 2 day air shipping expense.

Pre-Paid Purchases

When a vendor requires payment with the Purchase Order, that fact must be indicated in the Special Instructions section of the Purchase Request. A check will be drawn and forwarded to the vendor with the Purchase Order.

Petty Cash Purchases

By far, the preferred method for obtaining items is to submit a Purchase Request to Accounts Payable and Purchasing and have the item(s) procured in the normal manner. However, occasionally there may be a time where, due to the situation, uniqueness and low dollar value of the item involved, it may be more expedient for the unit to purchase an item directly. In those instances, with Accounts Payable and Purchasing's concurrence, authorized individuals may make emergency purchases from local vendors up to a maximum of \$50.00. Petty Cash Vouchers (form 302-0002) together with their attachments (receipts, etc.) should be taken to the Cashier's window in the Bursar's Office to obtain a cash reimbursement. An illustration of the Petty Cash Voucher and instructions for its completion are contained in Appendix A.

PRINTED MATTER

Photocopying & Duplicating

The Duplicating Department provides in-house printing and photocopying services. These include multiple copy reproduction, and, under certain circumstances, a limited degree of collating, binding, trimming, folding and enveloping (for jobs printed in the center). Requests for photo copying or duplicating should be submitted to the Duplicating Center on a Duplicating Requisition (form 303-1201). In the event that the project requires services not available in Duplicating, after consultation with the requester, the Requisition will be forwarded to Accounts Payable and Purchasing for processing. An illustration of the Duplicating Requisition and instructions for its completion are contained in Appendix A.

Forms

A "Form" is defined as an item having constant information reproduced on it and usually having spaces for the entry of variable information. It is reproduced by one or more of the processes (including photocopying) that are generally referred to as "printing" and may be constructed of a single or multiple parts. Requests for forms are to be made on a Duplicating Requisition (form 303-1201) submitted to Accounts Payable and Purchasing with a sample of the form or proposed design attached. Forms to be produced on the computer or a PC require special handling. Accounts Payable and Purchasing's, along with Desktop Publishing's involvement is necessary to insure that the forms will work efficiently on the equipment and for the user to handle and file.

Commercial Printing & Graphics

The proper use and display of La Salle's logo and logotype are important to the University. Therefore, its use should be coordinated with the Assistant Vice President for Marketing and Communications and the Director of Accounts Payable and Purchasing. Departments should request commercial printing and graphics on a Duplicating Requisition. An illustration of the Duplicating Requisition and instructions for its completion are contained in Appendix A.

SPECIAL HANDLING REQUESTS

Capital Equipment

Capital equipment is defined as equipment which has a unit cost of \$5,000 or more and a useful life of at least three (3) years. Capital equipment is normally purchased but may be leased if that method best suits the needs of the University. To expedite the purchase of capital equipment, it is the responsibility of requester to:

- _ Include the proposed location for specific capital equipment on the Purchase Request (form 303-1305).
- _ Assure that necessary safety and quality approvals as required for specific capital items are obtained; i.e. computer hardware and software require approval by the Director of Information Technology for administrative and instructional users. Equipment that will become part of the physical plant requires approval by the Director of Physical Facilities.
- _ Verify that funds are budgeted and available.

All transactions for the acquisition of capital equipment should be handled through the Accounts Payable and Purchasing Department.

Equipment on trial, loan or consignment should be used only after the La Salle "Statement of Release" is signed by a representative of the vendor. An illustration of the Statement of Release is contained in Appendix A.

Purchase Requests for equipment requiring utilities of a significant nature (i.e. gas, water, steam, electricity) require the approval of the Physical Facilities Department prior to submission to Purchasing. No air conditioners or space heaters may be ordered without the approval of, and must meet the energy efficiency ratings as established by Physical Facilities.

Special requirements for vending machine facilities or vending services are to be submitted through the Director of Food Services.

Requests for telephone or communications equipment are to be submitted through the Director of Information Technology.

Equipment Lease or Rental

Equipment and facilities are normally purchased, but may be acquired through lease or rental agreements when it is more advantageous for the University. Factors to be considered in arriving at a lease or purchase decision include, but are not limited to:

- _ Capital investment
- _ Budget limitations
- _ Useful life span of the equipment
- _ Changing technology
- _ Options to purchase at term
- _ Lessor's terms and conditions

The Vice President for Business Affairs and the Director of Accounts Payable and Purchasing are the authorized agents of the University for the signing of leasing agreements. The acquisition of property and services through a third party lease or rental is administered by the Purchasing Department. Because most leases contain terms and conditions, whose primary purpose is to protect the interests of the lessor, **no lease should be signed until a**

careful review of its terms and conditions is conducted by Accounts Payable and Purchasing. When appropriate, University Counsel will be consulted.

A request to lease equipment with an option to purchase is subject to departmental budgetary and administrative approvals.

- _ The using department submits a Purchase Request to Accounts Payable and Purchasing.
- _ Accounts Payable and Purchasing contacts approved leasing companies for pricing and terms.
- _ Accounts Payable and Purchasing reviews the terms and conditions of the lease for the department.
- _ A separate Purchase Order will be issued to encumber funds covering payments for each lease, and re-issued each Fiscal Year for the entire lease period.
- _ Because of disclosure requirements, the Comptroller must be informed of all lease agreements.

Equipment Repair

When the cost of repairs to equipment is estimated to exceed \$100.00, a Purchase Order is required. When an estimate is received, it should be sent to Accounts Payable and Purchasing together with a copy of any correspondence with the vendor attached to a Purchase Request (form 303-1305) authorizing the completion of the repair.

Personal Computers

Personal computers (PC's) are considered capital equipment. Personnel from the Information Technology Department are available to assist in the selection of computer hardware and software suitable to the needs of the using department. Purchase Requests for computer hardware, software and peripherals are to be approved by the Director of Information Technology prior to order processing.

Procurement in Support of the Physical Facilities Department

The Accounts Payable and Purchasing Department will support the Physical Facilities Department. All contract work will be covered by a valid Purchase Order issued before the work is started. Purchase Orders may be issued by Physical Facilities for jobs within the guidelines established by the Vice President for Business Affairs, the Director of Physical Facilities and the Director of Accounts Payable and Purchasing. Purchase Orders for jobs projected to exceed the guidelines will be issued only after approval by the Vice President.

- _ All contract work accomplished by the Physical Facilities Department will be competitively bid.
- _ The bidding process may be accomplished by Physical Facilities or Purchasing.
- _ A formal quotation/bid file to support the award and establish an audit trail.
- _ The contract will be awarded based on the recommendations of Physical Facilities.

The Director of Physical Facilities may establish non-competitive contracts with selected contractors as necessary to meet the day to day needs of the University. These may be on a flat rate or "Time and Material" basis. All contractual documents shall be signed by either the Vice President for Business Affairs, or the Director of Accounts Payable and Purchasing. With the express approval of the Vice President for Business Affairs, the Director of Physical Facilities may exempt contracts for emergency needs from this policy.

FORMS ILLUSTRATIONS, INSTRUCTIONS AND RECORD KEEPING GUIDELINES

Departmental Requisition (303-1306)

Use a separate form for each Source or Type of Transaction:

1. Source from which items are to be obtained: **Campus Store
Duplicating Department**
2. Type of Transaction:
Supplies – use only for office supply items stocked in the Campus Store.
Postage – use for postage, mailing services or UPS etc.
Other Items – use for specialty items (clothing, cups etc.) in the Campus Store.
Note: Specialty items not stocked in the Campus Store are to be requested on a Purchase Request (303-1305).
3. Requisitioner's University ID Number.
4. Budget Account Number to be charged.
5. Current date. (Use numerics only.)
6. Requisitioner's Name, Phone Extension, Department Name and Location (Building and Room).
7. Quantity desired in multiples of the "Issue Unit". If the Unit of Issue is 'dz.', a '1' in the Quantity equals 12 of the items, while "12" in the Quantity equals a gross (144).
8. Issue Unit.
9. Stock Number of Item
10. Description of the item. If the item is from a catalog from another source, include the manufacturer's name, size, color and page number from the catalog plus a photocopy of the page on which the item appears and the full name, address and phone number of the source.
11. For mailings only, place an "X" in the appropriate box.
12. Requisitioner's signature.
13. Department Head signature and date.

Procedures for Completing a Purchase Request (303-1305)

1. Requisitioner's Name, Extension, Department Name, and Location.
2. Date of the Request. Use numerics only.
3. Type of Purchase Order desired:
 - Regular Purchase Order**- used to place a one time order. This is the most common type of purchase.
 - Service/Maintenance** - to be used only for service or maintenance contracts or to arrange for service, maintenance or repairs to equipment or furniture.
 - Standing Order** - to establish a contract covering items or services for which repetitive requests are likely to occur and for leases or rental of equipment for a specific time period, generally for one fiscal year.
 - Emergency** - to be used only when items or services are required in the shortest reasonable time.
4. Suggested Vendor's Name, Address and Phone Number. The final decision will be made by Purchasing.
5. Budget Account Number to be charged. If more than one account is to be charged, show the dollar amount to be charged to each account. Account totals must equal the amount of the order.
6. Quantity (in multiples of the "Unit of Purchase"). Note: If the Unit of Purchase is "Doz." and 12 items are needed, enter "1" in this column.
7. Unit of Purchase i.e.: "Each", "Doz.", "Case", etc.
8. Item Description (include the manufacturer's name, model, stock number, color, size, etc.)
9. Estimated or quoted price, except for repairs.
10. Item description and catalog number.
11. Complete only if an "other than normal" mode of shipment is required i.e.: air, first class mail, etc.
12. If known, indicate the FOB point. Remember title and responsibility for the merchandise passes at the FOB point. FOB Destination is preferred, meaning La Salle takes ownership upon receipt and payment.
13. For "Standing Orders" only, enter the beginning and ending dates of the contract period. Whenever possible, these dates should coincide with the University's fiscal year from June 1 through May 31.
14. Special instructions concerning the purchase that are not shown elsewhere on the Request: e.g. reason for the "Emergency"; name, department and location of individual to whom the item(s) are to be delivered if other than the requisitioner; if the goods or services were received, why a PO was not previously obtained; vendor's quote number; note attachments, if any.
 - Note: As a rule, PO's are faxed to the vendor.*
15. Requester and Department Head sign in the spaces allotted. Space is also provided for other administrative approvals.

Procedures for Completing Duplicating Requisition (303-1201)

1. Requisitioner's University ID number
2. Budget Account Number to be charged (the General Ledger code for printing has been pre-printed.)
3. Current Date. (Use numerics only.)
4. Requisitioner's Name, Extension, Department Name and Location
5. Number of originals to be reproduced.
6. Number of copies to be made from each original.
7. Title or Description of the work to be reproduced.
8. Date on which the work is needed. (Use numerics only.)
9. Examination "X" box. Exams must be delivered and picked up by faculty or staff.
10. Book copying, "X" box. Insert the inclusive page numbers. Note the "Warning concerning Copyright Restrictions".
11. Color of Stock on which the items are to be reproduced.
12. Type of Stock to be used.
13. Finished Size of the job.
Note: If the job is to be folded, include a sample showing how it is to be folded or explain in the Special Instructions section (#19).
14. Number of Sides to be printed (1 or 2) and the position of the backer for two sided work:
H/H – Head to Head (to read the backer, turn the sheet like a page in a book.)
H/F - Head to Foot (to read the backer, turn the sheet like a page in a steno pad.)
15. Padding, number of sheets per pad (100 is normal) and the edge to be padded (top is normal).
16. Punching, number of holes required and their location. Attach a sample, if necessary, and indicate the attachment in the Special Instructions section.
17. Collating, number of sheets per set. Note: the maximum number of sets collated by Duplicating is 150. Requests for a greater number of sets will be sent to a commercial printer for production.
18. Spiral Binding: indicate the binding edge.
19. Special Instructions: e.g. explanation of how the job is to be folded; the number and type of attachments (other than the originals to be reproduced.)
20. Requester's signature.
21. Department Head's signature and date.
22. This space is left blank until the job is picked up. At that time, the individual receiving the finished work signs and dates the requisition.
23. Duplicating Department or Purchasing use only.

**LA SALLE UNIVERSITY
STATEMENT OF RELEASE**

I/We hereby remise, release and discharge La Salle University, its officers, agents and employees, of and from all liabilities, obligations, claims and demands whatsoever under or arising from the storage and/or trial use of the item(s) described below from this date _____ and until the below described equipment, supplies or services are purchased by La Salle University or removed from La Salle's premises by the _____ Company.

Equipment, Supplies, or Services covered by this Release:

By _____ Sales Representative

Date _____

And/or Agent of the _____ Company.

Address: _____

Phone: _____ Fax: _____

Note: To be completed in duplicate.
Original to Purchasing accompanied by zero dollar Purchase Request.
Duplicate to Company.

RECORD KEEPING GUIDELINES

The following guidelines are provided to assist units in setting up and maintaining effective, efficient records of requisition and procurement activity and for use in assisting new staff members to become familiar with the system.

Departmental Requisition (303-1306)

After completing a Departmental Requisition:

1. Deliver or send the "Original" copy of the Requisition to the Cashier in the Campus Store, or in the case of those items so specified, to Duplicating.
2. File the canary "Requisitioner" copy in an "Open Requisition" file by Requisition (consecutive) number.
3. When notified that the supplies are in, pick them up using the consecutive number on the Requisition to identify the order.
4. Sign the "Original" copy of the Departmental Requisition at the counter verifying receipt of the order.
5. Check the item(s) in the package(s) against both the Packing List and the Requisitioner's copy of the Departmental Requisition.

If all items ordered have been received, staple the Packing Slip behind the Departmental Requisition and file them in a "Closed Requisition" file by Requisition Number.

If an item is back ordered, circle the item on the Requisitioner's copy, staple the Packing Slip behind the Departmental Requisition, and re-file them in an "Open Requisition" file until the item is received.

If an item is listed as being shipped but is missing, check with the Campus Store to determine if there is another package awaiting pick-up. If so, pick-up the package and repeat the above steps.

If there is no package, advise the Campus Store Manager of the missing item(s), take a photocopy of the Requisition and the Packing Slip to the Manager of the Campus Store who will contact the Vendor to obtain the missing item(s).

Closed Departmental Requisitions should be retained for the current and prior fiscal years.

Duplicating Requisition (303-1201)

After completing a Duplicating Requisition:

1. Deliver the "Original" copy of the Requisition and the originals of the work to be reproduced to the Duplicating Department.
2. Retain the canary "Requisitioner" copy of the Duplicating Requisition in the Open Duplicating Requisition file by the "Date Required" (due date).
3. On the due date, pull the Requisitioner's copy of the Duplicating Requisition from the Open file, take it to Duplicating and use it to identify the job for pick-up. Mark the Requisitioner's copy "completed" and record the date on it. File the copy in the Closed Duplicating Requisition file.

Completed Duplicating Requisitions should be retained for the current and prior fiscal years.

Purchase Request (303-1305)

After completing a Purchase Request:

1. Forward the "Original" copy of the Purchase Request to Accounts Payable and Purchasing together with any pertinent documentation (e.g. copies of bids/quotes, lease papers, brochures, correspondence etc.).
2. Retain the canary "Requisitioner" copy of the request in an "Open Purchase Request" file.
3. When the "Requisitioner's Copy" of the Purchase Order is received, pull the Requisitioner's copy of the Purchase Request from the "Open Purchase Request" file.

Compare the information shown on the P.O. with the Request to be sure the P.O. is accurate.

Staple the Purchase Request behind the P.O. copy. The sequence of documents should be:

Requisitioner's Copy of the Purchase Order
Requisitioner's Copy of the Purchase Request
Other supporting documentation

File the documents in an Open P.O. file by P.O. number until the item(s) is(are) received.

Closed Purchase Orders and their supporting Purchase Requests should be retained for the current and prior fiscal years.

Receiving Reports

As the items or services requested on a Purchase Order are received, the Requisitioner's copy of the Purchase Order should be noted with the quantity and date received.

When the items ordered are received:

1. Remove the Packing Slip from the package.
2. Pull the P.O. from the Open Purchase Orders file.
3. Compare the item(s) received against both the Packing Slip and the P.O.

If all items ordered have been received, staple the Packing Slip behind the Requisitioner's Copy of the P.O. and file by P.O. number in a "Closed P.O." file.

If an item is back ordered (as shown on the Packing Slip), circle the item on the Requisitioner's Copy of the P.O., initial the quantity of each of the other items, staple the Packing Slip behind the other documents and return to the "Open P.O." file, pending receipt of the back ordered item(s).

If an item, listed as being shipped, is missing, photocopy the Packing Slip and P.O., and send it to Purchasing with a note describing the problem. Initial the quantity of each item received on the Requisitioner's Copy of the P.O., staple the Packing Slip behind the P.O. and return to the "Open P.O." file pending receipt of the missing item(s).

Vendor's Invoices

When an invoice is received, either from Accounts Payable and Purchasing or directly from the Vendor:

Check the "Open P.O." file for a Purchase Order.

If there is a P.O., check the items billed against the Requisitioner's Copy of the Purchase Order.

If everything matches:

- _ Record the Account Number(s) to be charged, and have invoice signed by Department Head.
- _ Make a copy of the Purchase Order and of the Invoices to be paid.
- _ Attach the P.O. copy behind the signed original Invoice, and forward to Accounts Payable.
- _ Staple the Invoice copy to the Requisitioner's P.O. copy; mark the Invoice with date sent to AP.
- _ If all items have been received and invoiced, file the set in the "Closed P.O." File.

If there is a discrepancy between what is invoiced and what has been received, contact Purchasing for help in resolving the matter.

If there is no Purchase Order in the file, verify that the unit did order and receive the item(s) invoiced.

- _ Record the complete nineteen (19) digit Account Number(s) to be charged, and have Invoice signed by the Department Head.
- _ Forward the Original and Remittance copies of the Invoice to Accounts Payable and Purchasing.
- _ Mark the copy of the Invoice(s) with the date sent to AP.
- _ File the copy of the Invoice in the Closed P.O. File.

If the Invoice does not belong to the Department, return it to Accounts Payable and Purchasing with a note to that effect.

Records Retention

The Accounts Payable and Purchasing Department maintains the records listed below in the Department for the following periods:

- | | |
|------------------------------|--------------------------------|
| 1. Purchase Requests | Current and prior fiscal years |
| 2. Purchase Orders (routine) | Current and prior fiscal years |
| 3. Standing Purchase Orders | Current and prior fiscal years |
| 4. Equipment Purchase Orders | Current and prior fiscal years |
| 5. Leases | One year beyond termination |

Thus, questions concerning an open or recently closed Purchase Order can be researched by Accounts Payable and Purchasing, within the above time constraints.

It is recommended that, at a minimum, departments also follow the same guidelines for retaining, requisitioning and purchasing documents.

GLOSSARY OF PURCHASING TERMS

Account Number	A 19 digit code assigned for every budget established, consisting of a Fund, Organization, Account and Program Number (XXXXXX-XXXXXX-XXXXX-XX).
Back Order	A portion of an order which a vendor cannot deliver at the scheduled time and which is re-entered for shipment at a later date.
Bid (Proposal)	An offer, as a price, whether for payment or acceptance.
Bid Bond	An insurance agreement in which a third party agrees to be liable to pay a certain amount of money in the event a specific bidder fails to sign a contract as bid.
Capital Equipment	Equipment purchased with a value of \$5,000 or more and a useful life of at least three years. All such equipment is reported to the Comptroller's Office and is included in the University's capital equipment inventory records.
Cash Discount	A discount from the purchase price if the invoice is paid within a specific period of time (usually 10 days). Example: 2% 10/net 30. Two percent discount off total if paid within 10 days of invoice date. Otherwise, payable in 30 days with no discount.
Change Order	A modification of an existing purchase order which adds, replaces, deletes or makes some change to the original order.
Commodity	An article of trade, a movable article of value, something that is bought or sold.
Confirming Order	A purchase order issued to a vendor, listing the goods or services and items of the order. Placed verbally in advance of the issuance of the actual purchase document. (Note: a confirming order should seldom be used. A supplier should not be expected to ship on the basis of a verbal order.)
Conflict of Interest	A situation wherein an individual, as part of his/her duties, makes a decision or takes an action that affects his/her personal interest.
Contract	A deliberate verbal or written agreement between two or more persons to perform, or not to perform, a specific act or acts. It involves both an offer and an acceptance.
Default	Failure by a party to a contract to comply with contractual requirements.
Delivery Terms	Conditions in a contract relating to freight charges, place, time and method of delivery.
Discount	An allowance or deduction from the normal or list price.

Encumbrance	An obligation for services or materials ordered. A set aside of money for honoring payments for material and services.
Equipment	Property of a non-expendable nature which retains its identity throughout its useful life. At La Salle, it has a value of \$500 or more and a useful life of at least three (3) years.
Expendable Supplies	Supplies that are consumed or used up.
F.O.B. Point	Free on Board. The point at which title passes from seller to buyer. Also generally the point from which transportation costs are paid.
Freight Prepaid	Supplier includes the cost of delivery in the cost of the merchandise.
Invitation to Bid	(ITB) A request, verbal or written, made to prospective suppliers, requesting a bid on commodities or services.
Journal	A Journal Entry corrects, transfers, or re-allocates actual dollar activity which has already occurred.
Late Bid	A bid received after the hour or date designated for opening on an Invitation to Bid or Request for Quotation. Normally late bids are not considered as valid and are not included in the consideration of bids received.
Lease/Purchase	A lease contract which includes an option to purchase the items(s) leased either during or on completion of the lease period.
Letter of Intent	A letter authorizing a vendor to proceed under agreed terms based on intent to purchase when funds are available.
Minority Business	A designation, for statutory purposes, referring to a firm, corporation or establishment owned (at least 51%) by a member of a racial or ethnic group designated by the Federal Government as being a minority.
Mistake in Bid	A miscalculation in composing a bid resulting in an incorrect price or other term which may effect the bidder's eligibility for award.
Negotiated Contract	Contract based on verbal agreements for terms and conditions.
Non-Expendable Supplies	Supplies that are not consumed or used up, and which have a value of less than \$500.
Option to Purchase	Provision in a lease or rental contract authorizing the purchase of equipment at a given time and at given terms.
Performance Bond	A contract of guaranty executed after an award to a successful bidder to protect the University from loss due to the vendor's inability or failure to complete the contract.
Preferred Source	Supplier that holds an existing University Contract for goods and/or services.

Procurement	Initiation of a request for supplies, equipment or services.
Pro Forma Invoice	Invoice from vendor which is paid before materials or services are received.
Proposal	See Bid.
Public Bid Opening	Process of opening and reading bids, conducted at a time and place specified in the Invitation to Bid for anyone who wishes to attend.
Purchase Order	The purchase document used by Purchasing to formalize a purchase transaction with the vendor. By encumbering budget funds at the moment of decision to purchase, the purchase order becomes a budget management tool by immediately recording the commitment of funds at the beginning of the procurement process.
Purchase Request	An internal document by which a user department requests the Purchasing Department to initiate a procurement.
Quotation	A statement of price, terms of sale and description of goods or services offered by a vendor to the purchaser.
Request for Quotation	A written request, made to prospective suppliers, requesting a quotation on commodities and/or services.
Responsible Bidder	A bidder whose reputation, past performance and business and financial capabilities are capable of satisfying a contract – usually included on a bid list.
Return Material	(RMA) Return Material Authorization or (RGA)Return Goods Authorization. A request is made to return goods to a vendor. The vendor issues a RMA or an RGA number to identify the goods returned.
Salvage	Property that is no longer useful as a unit in its present condition but which has some value as parts or scrap.
Sealed Bid	A bid in a sealed envelope to be opened only at the time, date and place specified in an Invitation to Bid or Request for Quotation.
Single Source	One supplier selected for Purchase Order at \$2500 and over. (ie: single regional distributor for product, or installer/distributor for existing OEM operational system.)
Sole Source	The only source for product or services required. (ie: software designer, or specialty scientific equipment)
Special Handling	A requisition that requires approval by one or more offices before being submitted to Purchasing (i.e.: capital equipment, computer hardware, vehicles, sole source etc.)
Small Business	A designation for statutory purposes referring to a firm, corporation or establishment having a small number of employees – usually under 500 employees.

Specification	A description of what the purchaser requires and what a bidder must offer to be considered for an award.
Standing Order	A contract with a vendor to provide requirements or services on an "as requested basis" for a set period of time with a maximum amount of money to be spent at one time or within the set period of time.
Sub Contract	A contract performed for the principal contractor by another contractor for specialized work.
Surplus Property	Inventory or equipment not required by one unit or all units at the present time or in the foreseeable future.
Time Pay Rentals	Rental of equipment over a given period of time with scheduled payment of rental until the purchase price is completed.
Warranty	A vendor's or manufacturer's contractual promise to repair or replace an item if not properly working, up to a given period of time after acceptance (normally 90 days).