

**ST. JOHN FISHER UNIVERSITY
PROCUREMENT POLICY
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1. Organization

(a) General Procurement Policy:

The University Procurement Policy (“Policy”) provides guidance for the procurement of goods and services required for University business, whether by purchase, lease, rental, or otherwise, and is meant to conform with all applicable policies, procedures and approved budgets. This Policy and the associated procedures apply to all University officers, trustees, employees, students, volunteers, University-sponsored student clubs/organizations and contract employees. This Policy encompasses all purchases whether using operating, capital, and/or grant funds.

(b) Purpose

This Policy is meant to provide basic purchasing and procurement principles and rules in order to allow authorized employees to make informed decisions when committing University funds. It is designed to help ensure:

- Integrity when acquiring goods and services
- Accountability to funding sources
- Fair and competitive bidding
- Adherence to ethical business practices
- Proper contract review and minimization of risk/liability
- Procurement from vendors that provides appropriate value, which includes a combination of price, delivery capabilities, quality, past performance, training, financial stability, service capabilities, ease of ordering, payment, etc.
- Procurement within the parameters set forth by the IRS, Non-profit Revitalization Act of 2013 (as amended), OMB Circular A-110, OMB Circular A-21(CAS – Federal Cost Accounting Standards), OMB “super circular” and the Federal Acquisition Regulation (FAR), and/or any other applicable laws and regulations.

(c) Procurement Services Responsibilities

Procurement Services, a unit within the Controller’s Office, is available for providing oversight of relationships between the University and its vendors and seeks to ensure that all aspects of University procurement relationships are held to ethical and professional standards. All purchase orders must go through Procurement Services.

(d) Interdepartmental Relations

Communication between the requisitioning department (Requisitioner) and Procurement Services (Sourcing Specialist) is a mutual responsibility.

2. Purchasing and Procurement Authorization

(a) Procurement Services Authorization

Procurement Services is a department in Finance Affairs Division and reports to the Controller’s Office. The Vice President for Financial Affairs & CFO of the University has delegated

responsibility for the administration of procurement policies and procedures to the Director of Procurement.

(b) Unauthorized Commitments or Agreements

The University is a charitable organization. As such, it is subject to certain laws and restrictions with regard to its activities. Failure to comply with these laws and restrictions could, among other things, result in: (a) undue risk and liability to the University; (b) revocation of the University's tax-exempt status; (c) assessment of unrelated business income tax on corporate activities; and (d) **personal liability**.

Therefore, only individuals who are authorized in writing to commit University funds can make purchases or enter contracts on behalf of the University. Such authority must be specifically authorized: (a) by resolution of the Board of Trustees, or (b) by this Policy.

The University does not recognize an agreement as binding unless the signatory has authority to bind the University. Authorized individuals are set forth in 2(c) below. **Individuals who enter into agreements without authority may be personally liable for such agreements, whether oral or written.** Employees who enter into unauthorized agreements may also be subject to disciplinary action, up to and including termination.

(c) University's Signatory Policy

Making purchases, approving purchase order requisitions and entering into contracts on behalf of the University may occur only by the individuals authorized and approved by the President and Vice President of Financial Affairs & CFO. Expenditures must be within the University's approved operating or capital budget.

Authorized individuals and approval limits are included in the University's Procurement Procedures section 2(b) University's Signatory Authorization.

No other University employees have the authority to execute contracts without the express written approval of the President, Vice President, Dean or Controller delegating such authority. Examples of appropriate contracts for delegation include ongoing and routine purchases, use of pre-approved forms, ongoing business relationships, and so forth.

It is the responsibility of each Vice President, Dean, and Controller to ensure that all appropriate personnel under his or her supervision, directly or indirectly, are fully aware of University policy regarding authority to make purchases.

With respect to the authority of the President and Vice Presidents, renewal contracts refer to the continuation of existing contractual arrangements, for example, insurance coverage, food service, bookstore, library or operations rendered by an outside provider.

The Office of the Vice President for Financial Affairs & CFO must be consulted on risk-related matters contained in any contracts with external parties, including matters relating to insurance, data security and transfer, and any tax-related matters contained in contracts with external parties.

The Office of the Vice President for Financial Affairs & CFO is the designated custodian of all major contracts, and all contracts should be sent to that office, or offices designated by the Vice President for Financial Affairs & CFO for filing and safekeeping.

(d) Borrower Transactions

Only the President and the Vice President for Financial Affairs & CFO are authorized to execute contracts that constitute borrowing transactions (including leases) or construction-related contracts.

(e) Legal Review

Contracts that cover major service agreements or other contracts that pose significant risk of liability, financial exposure and data breach risk must be reviewed by the University's legal counsel prior to execution.

(f) Tax Obligations from Revenue Generating Agreements

Revenue-generating contracts (not covered under the gift agreement policy noted above) may give rise to tax payment obligations such as Unrelated Business Income Tax. All such agreements must be reviewed and approved by the President and/or Vice President of Financial Affairs & CFO, in consultation with the University's legal counsel as appropriate.

(g) Development/Donor Relations

Certain additional issues may arise with any matters related to fundraising, donor relations, and related marketing/communications, and therefore must be approved by the Vice President of Institutional Advancement in accordance with any relevant University policies.

3. Ethical Conduct

(a) Conflict of Interest

The University shall not engage in purchasing and procurement practices that may be considered a conflict of interest as defined in the University's Conflict of Interest policy. Such transactions must be disclosed prior to commitment to the Audit Committee of the Board of Trustees to determine whether the transaction is fair, reasonable and in the organization's best interest. Employees should contact the Vice President for Financial Affairs & CFO regarding disclosure to the Audit Committee.

Decisions about University business and the acquisition or disposition of University property are to be made solely in terms of the benefits to the University and are not to be influenced by any private profit or other benefit to the employees who take part in such decisions.

All members of the University community have an obligation to avoid any actual or apparent conflicts of interest.

(b) Acceptance of Gratuities

No employee shall solicit gratuities, favors or anything of monetary value from contractors, potential contractors, subcontractors, or potential subcontractors, and will avoid accepting personal gifts, favors or benefits in excess of \$150.00 in value. Items not considered gifts/gratuities include occasional business meals, items of an advertising nature, and items that are generally distributed to all potential customers, or otherwise de minimus or routine in nature.

(c) Donations / Gifts in Kind

Gifts of money or goods to St. John Fisher University (SJF) (donations) should be referred immediately to the Advancement Office.

4. Competitive Procurement Policy

(a) Purpose

The purpose of this policy is to maintain strong business practices, ensure compliance with regulatory requirements and promote the best possible value in the sourcing of products and services at the University. This policy is promoted when the person responsible for purchasing and procurement carefully considers the best value for the University, including providing access for suppliers to competitive opportunities by requiring Competitive Procurement when appropriate, and otherwise considering the factors in section 4(c) when not following Competitive Procurement.

(b) Competitive Procurement

Whenever appropriate as determined by the relevant person with purchasing and procurement authority as set forth in Section 2(c) above, the purchase of products and services may require solicitation and/or analysis of competitive proposals, bids or price quotations (“Competitive Procurement”). Whenever Competitive Procurement is employed, the request shall include a complete, accurate, and realistic specification and description of the goods or services needed. Consideration must be made to include Minority and Women Owned Business (MWBE’s). Contact Procurement Services for a list of local MWBE vendors. The University has access to NYS contract pricing for many items and this source should be considered as a primary reference for obtaining bids or quotes.

For all transactions that use Competitive Procurement, the person with approval is encouraged to consult with Procurement Director once a RFQ/RFP has been drafted. Procurement Services will work with the department to ensure the process is completed in accordance with University policy and applicable Federal guidance and regulations. Procurement Services is available to assist and should be used for Competitive Procurements, and will advise on the number of bids appropriate for the type of goods/services solicited.

Additional requirements for competitive sourcing may apply for purchases made in association with a sponsored award or grant. Sponsors may impose additional requirements and recipients must ensure compliance. For specific guidance for purchases made in association with a Federal award or grant, contact Office of Sponsored Programs (OSP).

(c) Single and Sole Source Justification

Goods and services may be secured through non-competitive negotiations (without Competitive Procurement) when recommended by the person with approval authority and authorization of University Officers, that bids are not necessary, feasible, practical, or necessary to advance the interests of the University. Helpful factors to be considered when making this judgment is whether:

- Previous bidding has occurred, or the University is currently satisfactorily serviced by an existing vendor demonstrating value to the University such that the person with approval authority believes that additional bidding would be of limited value at that time;
- Existing contracts with unique services, and the person with approval authority believes the pricing structure to be appropriate, and/or reasonably believes the services cannot be easily or satisfactorily replaced, even if a lower cost can be obtained;
- An emergency exists which will cause harm as a result of the delay caused by following Competitive Procurement procedures;
- The product or service can be best obtained from a particular source or otherwise is unique in nature, and the University is best served by that supplier;
- Past performance of a vendor;
- Only one satisfactory proposal is received through RFP or bid;
- A sole source has been authorized by the Federal Awarding Agency; and/or
- Others at the University have been consulted and concur in the decision.

Price is not necessarily the determinative factor, and the person with the approval authority has discretion, in his/her reasonable judgment and in furtherance of the best interests of the University in their judgment, to weigh the importance of the various factors giving rise to selection, including the above factors.

5. Supplier Qualifications

(a) General Policy

All procurement transactions must be conducted in a manner that promotes full and open competition. The identification and selection of appropriate suppliers from which competitive bids/quotes/proposals can be obtained can be accomplished through a variety of acceptable methods. Ultimately, the goal is to enlist those suppliers that have the products, capabilities, deliverability, service levels, expertise, resources and knowledge of the University environment that will afford a successful outcome for the University stakeholder(s).

(b) Preferred Vendor Contracts for Goods & Services

The University has standing contracts with vendors to provide various products or services at negotiated rates. These preferred vendor contracts are to be used as directed by the Procurement Services. The University also has authorization to use established NYS contracts with selected vendors to provide various goods and services at negotiated rates.

(c) Insurance Requirements

Prior to commencement of any work or services on University property, evidence of appropriate insurance coverage must be presented by the vendor. The limits of liability should be determined by risk exposure and not the size of the contract. The standard insurance requirements can only be modified by Procurement Services and with approval of the Vice President for Financial Affairs & CFO.

(d) Supplier Qualification

SJF will only conduct business with reputable and stable suppliers who are capable of providing the goods and services required.

Procurement Services will verify that prospective suppliers do not appear in the US Government Lists of Parties Excluded from Federal Procurement or Non-Procurement Programs when a proposed purchase is funded by a federal government grant, cooperative agreement or contract.

(e) Minority and Small Businesses / Affirmative Action

It is SJF policy to select and purchase from suppliers who offer the greatest total value for the products and services to be purchased. Within this general policy, it is SJF's objective to employ innovative techniques to find and develop small, small disadvantaged, small women-owned, small veteran-owned, small disabled veteran-owned and small HUBZone (MBE) businesses capable of providing products and services required by the University.

SJF's objective is to increase its business with minority business enterprises (MBEs) via affirmative action to promote procurement of products and services from these suppliers.

6. Specialized Policies and Procedures

(a) Capital Expenditures

The University defines "Capital Expenditures" as those expenditures with:

- A useful life of 3 years or greater and
- A cost of \$3,000 or greater

All Capital Expenditures require prior approval and the involvement of those areas of the University impacted by the purchase. Based on available funding, the Cabinet will determine the capital purchases included in the University's budget.

The University's capitalization policy identifies purchases to be capitalized as noted above (6a):

Some exceptions to this Policy are purchases of multiple units and purchases as part of larger projects. When there is discretion regarding the accounting treatment of a potential purchase, the final decision will be made by the Vice President for Financial Affairs & CFO and the Controller, in consultation with the University's external auditors.

(b) Human Resource Decisions

Salaries and benefits, as well as personnel and hiring decisions will continue to follow the current approval process, including supplemental workforce (temporary and contract hires).

Hiring of any temporary employees, either directly by the University or through an agency, must be coordinated through Human Resources.

(c) Grant Funded Purchases

The University personnel shall adhere to the requirements of State, Federal, and other sponsors for all purchases using grant funds (including but not limited to the Federal Acquisition/Disposition Regulations and the Uniform Guidance) in cases where grant requirements are more stringent than University policies. Consult the Office of Sponsored Programs with questions about purchases using grant funds.

(d) Business Meals & Events

Employee meals are reimbursable business expenses when the primary purpose of the meal is to meet to conduct University business with a formal agenda and when there is a need to meet over the meal.

(e) Alcohol Guidelines

Alcohol is reimbursable when one of the following conditions is met:

- For the purpose of conducting business with current or prospective donors, or
- For the purpose of conducting business with non-University employees. Supervisor approval, the name(s) of guest(s), and with the purpose of the meeting must be provided.

Employees will not be reimbursed for any alcohol purchase whether included as part of a meal or purchased separately.

Employees are reminded that use of University funds to purchase alcohol can expose the University to additional liability should injuries occur as a result of alcohol consumption.

(f) Travel

It is the University's policy to pay reasonable and necessary travel expenses subject to appropriate approval and documentation. All travel **must be pre-approved** by the employee's supervisor or the Budget Manager responsible for the account where travel expenses will be charged.

(g) Dues, Subscriptions, Memberships and Professional licenses

Expenses such as fees for individual memberships in business/professional associations, magazine, newspaper or newsletter subscriptions and/or other costs incurred to maintain professional certifications or licenses that are directly related to the employee's job responsibilities at the University need to be submitted to the appropriate Vice President/ Dean each fiscal year for approval.

(h) Occasional Employee Celebrations and Functions

These events are reimbursable business expenses when the function is intended to serve as a token of appreciation that primarily promotes employee relations/morale (e.g., holiday or retirement parties) or to recognize individual or group achievements.

Occasions that are inherently personal in nature (e.g., parties to celebrate births or marriages) or small in-office functions with purchased food or beverages are paid for by the employees involved and are not considered a reimbursable business expenses.

(i) Gifts

Gifts to individuals for non-work related personal achievements (e.g., weddings, baby showers or birthdays) are purchased with personal funds.

Gifts may be given to an individual and paid for from an appropriate University funding source with approval from Vice President or Dean. Non-cash gifts with low monetary value may be given to employees as a gesture of goodwill or appreciation, for work-related achievements, length of service awards, as part of employee morale building events or due to an illness, death in the family or family crisis. To be reimbursable, the gift expense must meet all of the following criteria:

- The aggregate value of the gift is \$150 or less.
- The gift is not provided on a routine basis (infrequent).
- The gift is not provided in the form of cash or cash equivalents (e.g., cash, check or gift card)

Per IRS regulations, all gifts provided in the form of cash or cash equivalents (e.g., gift cards) are taxable in any amount.

(j) Tax Exempt Status

The University is exempt from paying New York State Sales & Use tax on most goods and services purchased for business use. This tax exemption is to be used exclusively for University related business and is not for personal use by individuals or staff. Accordingly, the University will not reimburse NYS Sales Tax. If taxes are included on receipts/invoices, they will be subtracted from the total amount reimbursed. Exceptions are certain hotel room taxes, airline taxes, gasoline taxes, and out-of-state taxes. Tax-exempt forms may be obtained from Procurement Services and Accounts Payable.