

THE LEADER IN GLOBAL EDUCATION



**FAIRLEIGH
DICKINSON
UNIVERSITY**

Purchasing Policies and Procedures

October 2019

This manual of purchasing policies is intended to list the general policies developed to accomplish the procurement process for Fairleigh Dickinson University. The responsibilities for implementing the foregoing policies have been delegated to the Purchasing Department, and the cooperation of all individuals and offices is appreciated. This policy applies to all individuals purchasing goods and services on behalf of the University.

The University's Purchasing Department works with faculty and staff identifying, selecting, and acquiring needed materials and services. This is to be done as economically as possible and within accepted standards of quality and service using professional ethics and best business practices, while obtaining the best value for the University.

University Policies and Procedures have been developed to allow for purchases to be made in a timely and organized manner that provides for essential accountability of institutional expenditures realizing maximum value of the University's funds.

Please be sure to acquaint yourself with the University Policies and Procedures outlined. Any deviation from the University's Policies and Procedures requires the approval of the Sr. Vice President for Finance and Chief Operating Officer.

Mission Statement

The mission of the Purchasing Department of Fairleigh Dickinson University is to obtain all goods and services necessary for students, faculty, and staff in a cost effective and efficient manner. The Purchasing Department strives to provide value added service to the academic and administrative community in support of the University's mission.

The Purchasing Department maintains a commitment to excellence through professional ethics and practices, abiding by the University's Purchasing Policies and Procedures while aiming to develop and implement operational procedures that provide the highest level of service.

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1. Purchasing Organization and Objectives

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1.1 The Purchase Order

A Purchase Order is a contract between the University and a vendor. It is the standard document used to procure goods and services. Using a Purchase Order to initiate purchases provides the means to ensure that transactions are covered by a proper contract. A properly completed Purchase Order is a legally binding contract and should be treated accordingly.

Purchases of goods or services are to be processed through the University's financial system and are to be preceded by a Purchase Order provided to the vendor by the Purchasing Department.

No individual may obligate or commit the University to procurement indebtedness for goods or services and expose the University to unnecessary liability.

Employees involved with the purchasing process are responsible for understanding the University's policies and procedures regarding purchasing and vendor relations.

The Purchasing Department has the right to review and question any purchasing transaction. All purchasing contracts and agreements are subject to approval by the University officers who may best determine the appropriateness of the acquisition or activity.

1.2 Responsibilities and Objectives

The function of the Purchasing Department is the organization and administration of centralized purchasing services to ensure that the user departments' needs are accommodated with quality goods and services in a prompt, cost-efficient manner within the guidelines of the University policy.

These responsibilities include:

- a. Provide guidance to University departments and to ensure compliance with the University Purchasing Policies and Procedures.
- b. Develop sources of supply to assure University departments have an adequate number of vendors from whom to obtain supplies and equipment.
- c. Maintain liaison with vendors that service the University.
- d. Develop and maintain adequate procedures, controls, records and files.
- e. Coordinate the procurement of goods and services for the academic and administrative departments of the University.
- f. Obtain competitive bids, select vendors, negotiate price and assure quality and prompt delivery to the University.
- g. Ensure the highest purchasing standards and ethics are maintained.

1.3 Authority for Procurement

The Purchasing Department is a division of the Finance Department of Fairleigh Dickinson University. The office has the responsibility for all procurement negotiations and the administration of Purchasing Policies and Procedures as delegated to the Director of Purchasing by the President of the University, Sr. Vice President for Finance and Chief Operating Officer, and the Trustees.

The Purchasing Department has the authority to enter into a purchase agreement or otherwise obligate the University for Procurement Indebtedness. A properly executed Purchase Order constitutes a contract that is binding on both the University and the supplier. Individuals not authorized to sign on behalf of the University, or bind the University in any manner, are in violation of University Purchasing Policies and Procedures. At **no time** is an employee permitted to request a supplier to ship a product or perform service without an approved Purchase Order.

All purchases must be made for the purpose of University-related activities. Purchasing goods or services for personal use is prohibited.

Departments are required to submit fully completed Purchase Requisition/ Orders to the Purchasing Department to authorize initiation of the purchasing process according to established procedures.

All necessary supporting documentation must be submitted along with the requisition, i.e. contracts, proposals, quotes.

1.4 Unauthorized Purchases

Any employee who commits the University to a purchase, sale, lease or other arrangement without proper authorization may be personally liable for the transaction and/or subject to disciplinary action if they injure the University through willful misconduct, bad faith, dishonesty or criminal negligence.

2. Ethical Conduct

Gifts and Gratuities...1

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2. Ethical Conduct

Ethical business standards shall govern all procurement transactions. Purchasing decisions will be made on reasonable assessments of quality, service, competitive pricing and technical qualifications. Relationships with vendors will be maintained on a professional basis. Business will be conducted in good faith and every effort made to resolve disputes quickly and equitably. Vendors doing business with the University will be held to standards promoting sound and ethical business practices. University employees doing business with vendors will also be held to the highest ethical standards including policies relating to Gifts and Gratuities and Conflict of Interest. The University's Code of Conduct and Ethics Policy can be accessed through the Policies section of the Human Resources website. All purchasing shall be done in accordance with these policies.

2.1 Gifts and Gratuities

University personnel shall not request or solicit gratuities, gifts, money, favors, discounts, services, entertainment, kick-backs, inducements, or anything else of value from contractors or vendors for themselves, members of their families, or any third party with whom they are affiliated. (A third party may be a for-profit business, a not-for-profit organization, or a person with whom a member has a relationship.) See the University's Code of Conduct and Ethics Policy for information regarding gifts and gratuities.

2.2 Conflicts of Interest

Fairleigh Dickinson University faculty and staff who act on behalf of the University have an obligation to avoid activities or situations which may result in a conflict of interest or the appearance of conflict of interest. Employees must not use their University positions to influence outside organizations or individuals for the direct financial, personal or professional benefit of

themselves, members of their families, or others with whom there is a personal relationship.

For the University's full policy on Conflicts of Interest please see <http://view2.fdu.edu/legacy/conflictinterestpolicy.pdf>

2.3 Donated Goods

Any potential gift of goods or services must be coordinated through the office of University Institutional Advancement prior to acceptance.

Any technology related gift(s) must be approved by OIRT as described in Section 5.2 of this policy.

The Purchasing Department, as well as the Finance Budget Director, must be notified of the removal of University assets in order to update the University's asset list.

3. Selection of Suppliers

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3. Selection of Suppliers

Vendors are selected for their capability to serve the needs of the University in the most economical and efficient manner possible. Past performance and cooperation are important factors.

Vendors must comply with the Equal Opportunity Act, (Executive Order 11246 as amended), since it is the policy of the University to promote the full realization of equal employment opportunity through an Affirmative Action Program. They must also comply with all federal, state and local laws and directives.

The Purchasing Department is committed to evaluating new suppliers, and whenever possible, more than one source will be sought and considered. Alternate or multiple sources of supply are maintained as a means of insuring good value, performance, and service, and minimizing costs.

3.1 Vendor Qualifications

The University will only make purchases from responsible vendors who possess the ability to perform successfully under the terms and conditions of the purchasing contract. The University will evaluate the vendors for their responsibility, business integrity, record of past performance, insurance, reputation, financial and technical resources in addition to any other measures the University deems relevant.

All vendors doing business with the University are monitored as to how they perform, particularly vendors doing business with the University for the first time.

3.2 Supply Sources

Requisitioning departments are encouraged to suggest sources of supply for unusual items. Authority for the final selection of the vendor, however, shall

be left to the Purchasing Department, which will make its decision in light of the overall needs of the University.

3.3 Quality of Materials

The Purchasing Department is committed to procuring materials of a quality suitable for their intended use and to assist University departments in determining the required quality of materials. Determining the proper quality is of greatest importance, since buying a higher quality than what is required is often as wasteful as buying a lower quality. Suitability and overall total cost of ownership is measured.

3.4 Price Reasonableness

Reasonableness of a proposed price may be determined by a comparison of: prices found reasonable on recent previous purchases; current price lists; catalogs; advertisements; and similar items in a related industry. Also, reasonableness of price may be determined by a price analysis or a cost analysis.

3.5 Equal Opportunity

Fairleigh Dickinson University provides equal opportunity to all qualified vendors.

4. Competitive Selection Process

Waiver of Bid Requirements...1

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4. Competitive Selection Process

The requesting of bids is a recognized and accepted means of ensuring effective competition among suppliers. Analysis of bids is a means by which the total cost of ownership of the item is determined. It is the responsibility of the Purchasing Department to originate, control, and analyze supplier bids/quotations/proposals. The requisitioning department is responsible for defining quantity, specifications, delivery date, and all other pertinent information essential to proper purchase. In some cases, it may be acceptable for a department to conduct the bid process, but all quotes, bids or requests for proposals must accompany the requisition paperwork for analysis and review by the Purchasing Department. When quotations have been secured by the requisitioning department, the supplier's original written bids must accompany the requisition so that full information concerning the Purchase Order contract is available for audit purposes.

Competitive bids and/or quotations will be obtained in accordance with the following guidelines:

- | | |
|----------------|---|
| \$1-\$5,000 | Quotations may be solicited. |
| \$5,001-25,000 | The Purchasing Department, and/or the end user department, will attempt to obtain three quotations. These bids, quotations or proposals will be obtained either by email, or written bid request, depending on the nature of the items requested. |
| \$25,001 & Up | Three written bids will be solicited. |

Departments should not use multiple requisitions in order to circumvent the bidding process.

4.1 Waiver of Bid Requirements

Bidding requirements may be waived in certain situations, including but not limited to:

- a. Bids have recently been received for the same items and the bids are still valid.
- b. Item is a University standard (furniture, computers, etc.)
- c. The item must be purchased from a sole source distributor or manufacturer.
- d. The item or service being provided is being furnished by a University recommended vendor.
- e. It can be demonstrated without question that the department could not have foreseen the required purchase in sufficient time for normal purchasing procedures to be used.
- f. Life will be endangered, property will be destroyed, or considerable cost will be incurred because of events beyond the control of the department if the procurement is not completed without delay.
- g. If the goods or services are being purchased to directly interface with or attach to equipment of the same manufacturer, and no other manufacturer's goods will correctly interface with existing equipment.
- h. There is other justification for not soliciting competitive bids (memo of explanation must be provided).

4.2 Confidentiality of Bids/Quotations/Proposals

In accordance with fair and sound business practice, all information supplied by vendors in their bid, quotation or proposal must be held in strict confidence and may not be revealed to any other vendor or authorized individual.

4.3 Errors in Bids or Quotations

Vendors are responsible for the accuracy of their quoted prices. In the event of an error between a unit price and its extension, the unit price will govern. Quotations may be amended or withdrawn by the bidder up to the bid opening date and time, after which, in the event of an error, bids may not be amended but may be withdrawn prior to the acceptance of the bid. After an order has been issued, no bid may be withdrawn or amended unless the Purchasing Department considers the change to be in the University's best interest.

4.4 Late Quotations

It is the responsibility of all vendors to ensure that their quotations are received in the Purchasing Department no later than the appointed hour of the bid opening date as specified on the request for bid. Late quotations will not be considered and will not be opened.

All bids and quotations will be date and time stamped to assure that they are received prior to the requested date and time.

4.5 Rejection of Bids

The University reserves the right to reject all bids, quotations and/or proposals and re-solicit or cancel the procurement if deemed by the University to be in its best interest.

4.6 Requests for Proposal (RFP) Process

The RFP process (Request for Proposal) is a mechanism used by purchasing professionals to conduct competitive bidding. The process follows a relatively formal procedure and is a way to ensure information is passed to suppliers in an equal manner, assuring that all candidates are treated fairly. The RFP

document provides information regarding the University's expectations regarding how to respond to bid, the specifications on the project, and general conditions that a candidate is expected to comply with. These conditions eventually will become part of the contractual agreement with the candidate selected to perform work. The RFP contains information and requirements which will serve the best interest of the University and ultimately allow the University to select a supplier which provides the best value to Fairleigh Dickinson University.

4.7 Sole Source

A supplier is considered a sole source in cases where only one product can meet the specification described by the requisitioner and only one supplier can provide that product.

Bids are not required in cases where the source of supply is an existing contract or where a sole source supplier or the same item has been previously awarded within the last year.

Certain sole source items may require documentation from the requisitioning department to justify their purchase. Final responsibility in determining whether an item may be purchased from a sole source rests with the Purchasing Department.

Instances when "sole source" designation is applicable include the following:

- a. When the procurement is for technical services in connection with assembly, installation or servicing of equipment of a highly technical or specialized nature.
- b. When the procurement is for parts or components to be used as replacements in support of equipment specifically designed by the manufacturer.
- c. When the procurement involves construction where a contractor is already at work on the site and it would not be practical to engage another contractor.

- d. When the procurement is for electric power, gas, water or other utility services where it would not be practical to allow a contractor other than the utility company itself to work upon the system.

5. Approvals and Authorizations

Purchases Requiring Special Approvals...1

Technology Standards and Acquisition Policy...2

Printing - Copying - Duplicating...3

Logo Approval...4

Building Modification...5

5.1 Purchases Requiring Special Approvals

To ensure University objectives are met and specific needs of end users are recognized, below are items / services that must be approved by designated Campus Administrative Units or Officers. These approvals must be in place prior to submitting the purchase order.

ITEM OR SERVICE	APPROVAL REQUIRED
Building modifications - contracting for construction, renovations, electrical outlets, etc.	Facilities Department *See section 5.5
Computers, Hardware, Software	Information Technology * See section 5.2 for the University's computer procurement and maintenance policies.
University printing - stationery, letterhead, envelopes, business cards, etc.	Copies Plus-University Print Shop *See section 5.3.
Classified advertising for faculty and staff personnel	Human Resources
Logos - Use of the University Trademark and Logo	Associate V.P. for University Communication
Signage - Interior - Exterior	V.P. for Facilities Associate V.P. Auxiliary Services
Chemicals, Hazardous Materials,	University Risk Manager
Overnight Student Related Travel	University Risk Manager

5.2 Technology Standards and Acquisition Policy

5.2A Executive Summary

The adoption of standards is a best practice that enables FDU to achieve overall cost savings and other benefits, including cost compliance, reduction of complexity, improved operational efficiency and interoperability, and/or assurance of continued availability of products and services. Exceptions to standards and best practices should only be considered when a non-conforming technology is essential to the fulfillment of a non-compliant or specific function and mission, and must be approved by the Office of Information Resources & Technology (OIRT). All standards and exception approvals take into consideration many aspects including form, function, cost, applicability, and Total Cost of Ownership (TCO).

All technology acquisitions which are not on the standard pre-approved list will require technology approval from OIRT. In the interest of time, please plan ahead and discuss your acquisition with one of the individuals in the contact matrix below. (See section 5.2H)

Technology items personally purchased with the expectation of being reimbursed on an expense voucher, and without prior approval per Section 5.2H, and/or not meeting the standards of this policy, will not be reimbursed.

5.2B COMPUTER GUIDELINES AND CONSIDERATIONS

5.2B.1 PCs and Macintoshes

The Office of Information Resources & Technology has standardized on certain PC and Apple Macintosh computer products for the University's computer labs, and the faculty and staff user community. Standardization, rather than a large mix of computer brands and/or models, allows for ease in obtaining warranty repair, more effective technical support, and more efficient methods of setup and deployment.

5.2B.2 Network attached devices and servers

For network attached devices such as servers, storage configurations, ITV or video conferencing rooms, administration, and maintenance, contact the Associate Vice-President of Technology Infrastructure (see contact matrix below).

5.2B.3 Printers

There are a number of approved printer standards for use on the network or as single user stand-alone. Printer selection should first be based on the number of users and the expectations of use. Multifunction printers, those that can print, fax, scan and copy, are almost always less cost effective in the long run and are troublesome to support. As a result, multifunction printers are only approved on a case-by-case basis. Those considering non-standard print devices should contact Computing Services for advisement.

5.2B.4 Projectors

The standard for projectors is a separate policy, which can be found at http://isweb.fdu.edu/policies/projectors_policy.html. Please contact the Office of Academic Technology prior to any purchase of a projector.

5.2C ADOPTED STANDARDS

For the current list of pre-approved standards and configurations, please contact the Office of Information Resources and Technology.

5.2D PURCHASE VS. LEASE

For several years OIRT has been leasing computer systems. Leasing versus purchasing decisions weigh largely on the Total Cost of Ownership (TCO) of the equipment based on analyses done by respected organizations. The TCO encompasses the entire life cycle of equipment from purchasing and support, software, retiring and removing. Policies are in place at FDU where laptop and

notebooks are only leased. They are not purchased. Departments have the option of either purchasing or leasing desktops and monitors, but are encouraged to lease over purchase. Printers and projectors are purchased.

The recovery of leased computers from users and the deployment of new ones are called Technology Refreshes. Leases are generally on a three year cycle. Departments may join or early terminate leased equipment in their department without penalty.

Purchases should be made via a Purchase Requisition Order and sent directly to FDU's Purchasing Department. Purchasing will then forward the PO to OIRT for approval. If the requisition is not approved or questions or clarification regarding the purchase of technology is required, OIRT will contact the department. If the requisition is approved, the Purchasing Department will then be given notification to process the order.

5.2E ACQUISITION

5.2E.1 Laptops and Notebooks

FDU laptops and notebooks are leased only. In addition, they are redistributed. There is never any promise or implication that a laptop or notebook will be brand new.

5.2E.2 Full Time Faculty

Full time FDU faculty are eligible for a university laptop through the Faculty Laptop Program. Approval for new faculty to receive a laptop originates from the Dean in writing and is sent to the Office of Academic Technology. Faculty are not eligible to receive a laptop until their official start date or official change of status to full time faculty has become effective. Laptops are deployed to new faculty members on an appointment only basis. Deans will be notified when appropriate for the new faculty member to contact for an appointment.

5.2E.3 Part Time Faculty and Full Time Staff Employees

Laptops are available to part time faculty and full time staff employees on a departmental chargeback basis. Requests must be made in writing originating from a Dean, Director, or above. The request should include user who will receive and sign for the laptop, budget number and approval for yearly charge backs. Written requests should be submitted in writing to the Office of Information Resources and Technology.

5.2E.4 Desktops and Monitors

Departments have the option of either purchasing or leasing desktops and monitors.

5.2E.4a Leasing Desktops

Requests to lease must be made in writing originating from a Dean, Director, or above. There is no form to fill out. The request should include: user who will receive equipment, building and room number where the computer will be installed, budget number for chargeback purposes, and delivery date needed. The request should be submitted as early as possible, but at a minimum of two weeks before the equipment is needed. Requests are filled on a first come first serve basis and the wait time could depend on availability of equipment. Equipment is usually kept on hand, but this is not a guarantee equipment will always be available. Since Computing Services orders leased equipment on a bulk basis, at times there may be a waiting period. Requests should be submitted to the Office of Information Resources and Technology.

5.2E.4b Purchasing Desktops

To purchase a desktop and monitor, contact the Office of Information Resources and Technology for a quote.

5.2F PURCHASING COMPUTER ACCESSORIES

When configuration of hardware changes and certain components are removed from new standards, Computing Services will provide alternative solutions to the user community for the asking. Departments that need accessories should plan on purchasing laptop or desktop accessories on their own. See ISWEB for current approved accessories. Accessories for laptops such as mini docking stations and additional a/c adapters are usually purchased directly through the manufacturer, and Computing Services can assist with current pricing and part numbers which are not already listed on the ISWEB website. Accessories such as mice and keyboards may be purchased from the University's preferred computer supply vendors. Depending on timing and supplies, some computer accessories or enhancements such as RAM, additional battery or additional a/c adapter may be purchased from Computing Services via a chargeback.

5.2G OIRT CONTACT MATRIX

OFFICE OF INFORMATION RESOURCES AND TECHNOLOGY CONTACT MATRIX

Title	Responsibility	Name	Contact Information
Vice President and CIO	Overall IT responsibility including voice, data, and support services, exception management	Neal Sturm	973-443-8689 sturm@fdu.edu
Associate Vice-President of Technology Infrastructure and CTO/CISO	Servers, storage configurations, ITV or video conferencing rooms, administration, and maintenance, facilities and capacity management, networking (including wireless), IT infrastructure, interoperability, and security	Brian Domenick	201-692-2414 brian@fdu.edu
University Director Academic Technologies	Data projectors and Smart-Boards	Manish Wadhwa	201-692-7074 manish@fdu.edu
Assistant Manager and PC Technician (d.b.a. IT Procurement Manager)	Personal computing device specifications and costs, leases, technology refreshes, asset management, and software licensing	Lisa Stadler-Kay	973-443-8689 stadler@fdu.edu

5.3 Printing – Copying – Duplicating

Copies Plus, located on both the Teaneck and Florham campuses, is the University's preferred supplier. Their goal is to supply the end user with a high quality product in a timely fashion at a competitive price. Departments are required to first consult with the Copy Center to determine their capability to produce the required printed materials.

The University has standards for stationery materials (letterhead and envelopes) as well as business cards, which are obtained by contacting Copies Plus.

Please contact Copies Plus prior to using an outside vendor. All requests for printed material to be produced off-campus are reviewed to ensure that the proposed materials conform to University standards.

5.4 Logo Approval

Approval from the Vice President for Communications is required prior to using the University identity (logo) on any clothing/apparel or advertisement/promotional specialty items (pens, cups, magnets, etc.).

Please obtain approval prior to submitting the Purchase Order. Either attach an email to the Purchase Order from the V.P. of Communications approving the order, or have the V.P. of Communications sign the Purchase Order prior to submission.

5.5 Building Modification

All building modifications require prior approval from the University's Facilities Department prior to any work being contracted. Facilities must be consulted to review space and structural adequacy, environmental requirements, power safety, security, and code compliance.

6. The Purchasing Requisition Process

Requisition to Purchase...1

Pre-Planning for the Procurement Process...2

Fund Source...3

Account Numbers...4

Signature Authority...5

A. Methods of Ordering Goods and Services

Regular Purchase Order...1

Blanket Purchase Order...2

Completing a Purchase Order...3

Addendums...4

Deposits...5

Cancellation Purchase Order...6

Change Orders (Modifications of a Purchase Order)...7

B. Receiving

Inspecting Purchased Goods...1

Receiving Report Approval...2

Payment of Invoices...3

Return of Merchandise...4

6.1 Requisition to Purchase

The requisition process should, whenever possible, reside with the person with authority to requisition for the department. The prompt processing of all work, however, remains the responsibility of the department chair person or department director.

Requests for purchases must be processed through the Purchasing Department on the Purchase Requisition/Order Form. The Purchase Order is the standard instrument used to procure goods and services. All University procurement transactions require a Purchase Order except in cases where an alternative method has been approved. (See section 7.3 for the link to the Check Request Form)

Submittal of the Purchase Requisition Form document is a request to purchase only. The requisition does not become a Purchase Order until approved by the Purchasing Department.

6.2 Pre-Planning for the Procurement Process

We emphasize the need for departments to plan their supply and equipment needs well in advance. The time required by Purchasing to process your requisition varies greatly through the approval cycle of the University. In addition, the Purchasing Department in some instances may need to obtain approvals from appropriate administrative units prior to encumbrances. Departments should anticipate their requirements to allow adequate lead time for orders to be processed and product(s) to be delivered.

6.3 Fund Source

All funds deposited with Fairleigh Dickinson University regardless of source are University managed funds and must be handled in accordance with the University's Purchasing Policies and Procedures. Although departments are allocated funds in their budgets for a given period, this allocation is only an

authority to requisition, not to purchase. All procurement requirements should be processed on a Purchase/Requisition Order Form before the department receives the material(s) or service(s). Any deviation must be approved by the Vice President for Finance and Treasurer.

6.4 Account Numbers

Each department is assigned a General Ledger (GL) Account Number(s) by the Budget Office. All requisitions must include the complete GL number and object code of the account to be charged.

6.5 Signature Authority

Purchase Requisitions, Check Requests and other forms authorizing the expenditure of funds must be signed by the Budget Officer responsible for the account identified as the source of funding and approved in accordance with the Signatory Authority. Purchase Orders submitted without proper signatures will not be processed and will be returned to the initiating department.

6A. Methods of Ordering Goods and Services

6A.1 Regular Purchase Orders

A regular Purchase Order is issued for a one-time procurement of a commodity or service. When the commodity or service is delivered and paid in full, the order is complete.

6A.2 Blanket Purchase Orders

A blanket order is a Purchase Order where goods and services may be purchased over a given period of time or where materials or supplies require numerous shipments and/or payments. Blanket Purchase Orders may be used for frequently purchased low-cost miscellaneous items or supplies and/or services that are on contract.

The Blanket Purchase Order permits departments to place releases for commodities or services on an “as needed” basis without having to submit additional requisitions through the Purchasing Department.

Blanket Purchase Orders will be processed quarterly or semi-annually. For specific commodities or services please contact the Purchasing Department.

Blanket Purchase Orders should not be used:

- a. As means to provide an open line of credit with a vendor.
- b. When prices are unknown at the time of ordering or subject to change later without notice. There are certain exceptions when small-item purchases are being made locally.
- c. When the quality of vendor’s product and/or services is questionable.
- d. When control over the department’s expenditures would be weakened significantly.

6A.3 Completing a Purchase Order

All supporting documentation relevant to the Purchase Order (i.e. quotations, proposed contracts and agreements, relevant correspondence, etc.) must be forwarded to the Purchasing Department for review and approval prior to the issuance of a University Purchase Order. Oral requisitions/purchases are not considered valid purchases by the University Requisition.

The requisitioning department is responsible for defining quantity, quality, specifications, delivery date requirements and all other pertinent information essential to making a proper purchase.

The order should be described in as much detail as necessary, utilizing multiple pages if necessary. Specify exact quantity, catalogue number, description, and price. A record of the quoted price is helpful for comparison with the invoice.

*Inside delivery and installation information should be included on the purchase order particularly if furniture or a large piece of equipment is being delivered and installed. If delivery and installation have not been arranged with the vendor beforehand, the equipment or furniture may be delivered only as far as a receiving dock or the steps of the building. Be sure to measure elevators/doorways for accessibility.

*A Certificate of Insurance must be obtained and approved prior to any delivery or installation taking place. (See Section 8.3)

Departments submitting a requisition are requested to follow the guidelines shown on the Purchase Requisition/Order (Below). All Purchase Orders must include the following information or they will be returned to the department.

1. "Ship To" must contain full name of department, address, mail code and department phone number.
2. "Suggested Supplier" must contain full name and address of vendor. Also include contact name, phone number and fax number if available.
3. "Total Amount" - Enter total dollar amount of order.
4. "GL Account" - Enter GL Account number(s) to be charged.
5. "Object Code" - Enter corresponding Object Code that best describes goods/services.
6. "Instructions to Supplier" - Check the box that says "Same as ship to" unless other instructions are noted in the body of the Purchase Order.

7. "Quantity"- Enter quantity of each item to be ordered. All items should be listed in the body of the Purchase Order. "See Attached" will not be accepted.
8. "Description"- The body of the Purchase Order must contain a complete description of the goods and/or services. Model numbers alone are unacceptable. You must describe what the item(s) is that you are ordering.* Indicate if the item(s) is new or replacement.
9. "Unit Price"- Enter price of each item.
10. "Extended Price"- Enter total price of each line item.
11. "Total Price"- Enter total price of Purchase Order. (Must match total amount in front of GL account number. See No.3)
12. "Requisitioned By"- Print name of individual generating the order.
13. "Signature"- Proper signature(s) must appear (name must be printed legibly) or Purchase Order will be returned.

***IMPORTANT-PROPER DOCUMENTATION (QUOTES, PROPOSALS, AND CONTRACTS) MUST ACCOMPANY PURCHASE ORDER OR THE ORDER WILL NOT BE PROCESSED.**

PURCHASE REQUISITION/ORDER



**FAIRLEIGH
DICKINSON
UNIVERSITY**

PURCHASING DEPARTMENT
1000 RIVER ROAD, T-PB 1-01
TEANECK, NEW JERSEY 07666
201-692-2050

**NOT VALID WITHOUT
PURCHASE ORDER NO.**

PAGE _____ OF _____

SHOW THIS NUMBER ON ALL
PACKAGES, INVOICES,
CORRESPONDENCE, ETC.

SHIP TO: **1**

DEPT. NAME
ADDRESS
MAIL CODE PHONE# ()

S
U
P
P
L
I
E
R

2 FULL NAME & ADDRESS OF VENDOR

SUPPLIER NUMBER

AMOUNT	GL ACCOUNT	OBJECT CODE
3 TOTAL AMOUNT	4 PROPER GL#	5 OBJECT CODE

INVOICING INSTRUCTIONS TO SUPPLIER

SAME AS SHIP TO SEE INSTRUCTIONS IN DESCRIPTION

THIS ORDER IS SUBJECT TO THE TERMS AND CONDITIONS ON THIS PAGE AND THE PURCHASE ORDER GENERAL TERMS AND CONDITIONS WHICH CAN BE FOUND AT: <http://fdu.edu/potermis>; BUYER'S ACCEPTANCE OF SAME SHALL BE DEMONSTRATED BY ITS FULL OR PARTIAL PERFORMANCE HEREUNDER.

QUANTITY	UNIT OF ISSUE	DESCRIPTION	UNIT PRICE	EXTENDED PRICE
7		8 COMPLETE DESCRIPTION DETAILING GOODS AND SERVICES	9 \$	10 \$
		*MUST INCLUDE PROPER DOCUMENTATION (QUOTES, PROPOSALS, CONTRACTS)	TOTAL AMOUNT	11 \$

- WE ARE EXEMPT FROM NJ STATE SALES TAX. CERTIFICATE NO. E221-494-434/001
- UNLESS OTHERWISE SPECIFIED PRICES ARE F.O.B. DESTINATION.

Requisitioned by **12 NAME** _____ Date _____
 Approved by (Print Name) **13 MUST PRINT** _____
 Signature **14 PROPER SIGNATURE** _____ Date _____
 Approved by (Print Name) _____
 Signature _____ Date _____

Revised: 2/2018

• ORDER NOT VALID UNLESS SIGNED BELOW FOR FAIRLEIGH DICKINSON UNIVERSITY BY DIRECTOR OF PURCHASING

SIGNED: _____

6A.4 Addendums

The dollar amount from the original Purchase Order plus the amount of the addendum must not exceed your total signing authority dollar amount.

6A.5 Deposits

Occasionally a vendor requires a deposit upon accepting a University Purchase Order. In order for a pre-payment to be considered, the total dollar amount will be encumbered with the terms clearly defined in the description area of the requisition. Documentation such as a quote or pro forma invoice for the deposit from the supplier must be attached to the Purchase Order. The Purchase Order must be submitted in its entirety or it will be returned. The Purchasing Department will assign a Purchase Order number and forward to Accounts Payable the necessary documents for processing payment.

It is critical that accurate information be provided about the payment including name and address of payee and payment amount.

The Purchasing Department requires a minimum 2-week lead time to process the Purchase Order and have Accounts Payable process a check.

6A.6 Cancellation of Purchase Orders

Request to cancel an order should be submitted to the Purchasing Department in writing or e-mail immediately so that the vendor can be notified before shipping occurs. Correspondence must state the reason for the cancellation and include the Purchase Order number and vendor's name and address.

The Purchasing Department will send notification to the vendor informing them of the cancellation. The requisitioning department and the Accounts Payable Department will be provided a copy of the cancellation form. Funds will be unencumbered and budget will be adjusted accordingly.

If the order has shipped and needs to be returned, the department should request a formal "Return Merchandise Authorization" (RMA) number from the supplier and return the product(s) as per the supplier's return instructions.

6A.7 Change Orders (Modification of a Purchase Order)

The Purchasing Department will issue a Change Order in cases where significant variances in specification, quantity or cost to an existing Purchase Order require written clarification.

If it is necessary to make any change to the original Purchase Order, such as price, terms, description, additions, deletions, change of GL account number or object code, written correspondence (e-mail or memo) should be sent to the Purchasing Department. This correspondence must reference the Purchase Order number and vendor's name and address and give explicit detail regarding the change(s) to be made.

The Purchasing Department will issue a Change Order notification to the vendor.

B. Receiving

6B.1 Inspecting Purchased Goods

Incorrect or Damaged Shipments

The employee receiving and signing for purchased goods is responsible for verifying that items are received in proper condition. Promptly unpack and carefully inspect shipments. This should be done as soon as possible after delivery. Keep all containers, packing material, wrappers, etc. until the inspection is complete and you are satisfied the merchandise has been received as ordered. If damages or shortages are discovered, a detailed description of discrepancies should be documented on the packing slip or bill of lading before accepting and signing for products.

When damage to goods is discovered after the goods have been put into use, the department is responsible for immediately notifying the supplier of the damage so that appropriate action may be taken, such as issuing credit or providing a replacement. The ordering department arranges with the vendor to have a "Return Merchandise Authorization" (RMA) issued for a replacement of the damaged goods.

The Purchasing Department may be contacted to help settle any disputes or to negotiate any settlements.

6B.2 Receiving Report Approval

The University has a responsibility to our suppliers to pay promptly for goods or services received.

Signed receiving reports (the yellow copy of the Purchase Order) should be returned, along with the invoice, to Accounts Payable promptly, since the credit standing of the University depends on fulfilling its obligations on time.

In the event a department budget officer feels payment should not be made because a vendor has not met the terms and conditions specified in the Purchase Order, he or she should notify the Purchasing Department immediately, in writing, of the details surrounding this Purchase Order.

6B.3 Payment of Invoices

Invoices are paid by the University Accounts Payable Department. Vendors are instructed on the Purchase Order to mail invoices directly to the originating "ship to" department. It is the responsibility of the department after receipt of the vendor's invoice, to forward the signed Receiving Report to Accounts Payable for payment.

Disputes over a vendor invoice require attention. Ordering departments are required to contact the supplier for corrections in a timely manner.

6B.4 Return of Merchandise

Merchandise to be returned to suppliers or manufacturers for adjustment or credit should be coordinated with the Purchasing Department. When a supplier has shipped items specified on the Purchase Order, he has legally complied with his part of the contract and is under no obligation to accept for credit any items delivered as specified.

Acceptance of a return by the supplier is by no means automatic and a restocking charge may be incurred. This charge, along with any freight charges, will be the responsibility of the requisitioning department.

7. Special Procurement Process

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Emergency Orders...2

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7.1 Standardization

Commonly used items such as copiers, scanners, computers, printers, and fax machines are standardized as much as possible in order to gain maximum quantity discounts and maintaining equipment repairs. Standards are determined by the Purchasing Department in conjunction with administrative departments or offices of the University.

7.2 Emergency Orders

Even with the best of intentions and planning, emergencies do arise. It is understood that there is no way to avoid an occasional crisis. But an emergency is defined as a situation, that if not corrected immediately, could result in a hazard to persons or property; could result in damage to buildings or facilities; or when the need for supplies and/or services, if not procured immediately, will cause the University significant financial or operational loss. Failure to anticipate need is not, of itself, considered an emergency.

In an emergency situation, the normal pattern for reviewing and approving purchases is maintained, and the purchasing processes are accelerated and expedited.

To initiate an Emergency Purchase Order a department must call the Purchasing Department and explain the nature of the emergency. The Purchasing Department will determine issuance of an Emergency Purchase Order. The department will be given instructions on how to proceed with the requisition.

7.3 Check Request Form

This form can be downloaded through the Accounts Payable website by clicking on Accounts Payable FAQs & Information:

<http://view.fdu.edu/default.aspx?id=6978>

Send the completed Check Request Form with appropriate backup documentation to the Accounts Payable Department.

If you have any questions about the Check Request Form, please call Accounts Payable at extension 2009.

7.4 Ordering Over the Web

Ordering via the web presents risk and responsibility to those who transact University business. This process requires specific guidelines.

- a. Deal only with established corporate vendors that accept a University Purchase Order.
- b. Purchases requiring a payment prior to shipment are to be processed on the Purchase Requisition/Order Form. A pro forma invoice must be issued from the vendor and attached to the Purchase Order. The Purchasing Department will process the order as “Check Enclosed” and will forward to Accounts Payable for payment.
- c. Departments choosing to order using the web should ensure that the web vendor provides a secure website for transmission of information.

7.5 Credit Cards, Charge Accounts, Direct Billing

University departments are not authorized to establish credit cards, charge accounts, or direct billing accounts with vendors in the name of Fairleigh Dickinson University. Departments are not authorized to accept offers for credit cards, charge accounts, or “house” accounts from vendors.

7.6 After-the-Fact Transactions

An “After-the-Fact” purchase transaction is a purchase that has been made by a faculty or staff member without prior issuance of an approved Purchase Order, and then an attempt is made to initiate a Purchase Order after-the-fact in order to pay the supplier invoice. Such a transaction violates University financial policy. Employees, who place orders for products and/or services without prior approval of a University Purchase Order, create financial liability and risk for the institution. **Exceptions must be approved by the Sr. Vice President for Finance and Chief Operating Officer.**

7.7 Service Maintenance Contracts

Contracts for maintenance service on University owned equipment (fax machines, typewriters, etc.) should be covered by a Purchase Order. Contract documents should accompany the Purchase Requisition and be sent to the Purchasing Department. Model numbers, serial numbers, and coverage dates must be noted on the Purchase Order. The covered period should coincide with the University’s fiscal year.

7.8 Salvaging a Vehicle

If a vehicle is not worth fixing and it is determined that it can be salvaged:

- a. The Purchasing Department and Finance Department must be made aware of the intent to salvage a vehicle.
- b. Department must provide written estimate showing that it is cost prohibitive to fix the vehicle and provide substantial reason(s) why vehicle should be salvaged.
- c. Some vehicles may have a nominal value, so it is suggested that a quote be obtained from the salvage company first.
- d. The title of the vehicle may be requested from the Finance Department.
- e. The salvage company must provide the department with a Surrender Form showing that they are accepting title.

- f. License plates need to be surrendered and returned with all paperwork to the Finance Department.
- g. Any University decals/seals must be removed prior to salvage.

7.9 Property Disposal Including Sale/Transfer/Donation

All merchandise purchased with University funds is the property of the University and must be disposed of accordingly. Please contact the Purchasing Department for instructions regarding disposal.

For the sale or transfer of item(s) please contact the Finance Division for proper instructions.

For all assets in your department that contain a Fairleigh Dickinson University Inventory Bar Code, it is important that you notify the Finance Division of any change in status. The change of status could be one of the following situations:

- a. An asset is being discarded and should be inactivated on the fixed asset system.
- b. It is being moved from your office to another office within the University.
- c. An asset was in another department and is now being moved to your office.

Please contact the Director of Budgeting Services with any changes.

7.10 Equipment Loaned to the University

Due to a variety of legal factors (including risk of loss, liability, audit trials, ownership, etc.) the following protocol has been established.

- a. Equipment requested by University departments from vendors on a trial, loan, demonstration or evaluation basis does not constitute a commitment to purchase equipment.

- b. Vendors who desire to make arrangements for demonstrations of their product or equipment must coordinate these plans with the Purchasing Department.
- c. Trial equipment furnished to the University must have written documentation specifying length of time equipment will be loaned. Insurance requirements, if necessary, and all other terms and conditions must be detailed in an official agreement. The Purchasing Department and the Office of Risk Management must approve the terms and conditions of any equipment loaned to the University.
- d. User department personnel should not indicate to vendors that the loan, demonstration, testing or evaluation of equipment constitutes a preference for that equipment or will result in an order to purchase. Competitive purchasing processes shall be used as required by University Policies and Procedures. If the vendor who loaned the equipment is the successful vendor, new equipment must be supplied unless alternate quotations were allowed for or requested in the competitive purchasing process.
- e. All moving, handling, transportation and applicable installation costs associated with the equipment on trial, loaned, demonstrated, tested or evaluated are the responsibility of the vendor.
- f. In the event of a loss, the department shall contact Risk Management for instructions.

7.11 Federal Procurement Standards

For purchases using Federal Funds, the University must be in compliance with Uniform Guidance Procurement Standards as detailed in Section 200.320 - Methods of procurement. The requirements are different based on the aggregate amount of the purchase (threshold amounts are as of April 25, 2018):

- 1. Micro-purchases -supplies or services with aggregate amount does not exceed \$3,500 or \$2,000 if subject to Davis-Bacon Act.

- a. To the extent practicable, these purchases must be distributed equitably among qualified suppliers.
 - b. These purchases may be awarded without soliciting competitive quotes if the price is considered reasonable.
2. Small purchases - subject to the Simplified Acquisition Threshold (\$3,500 - \$150,000).
 - a. Price or rate quotations must be obtained from an adequate number of qualified sources.
 - b. These do not require a cost or price analysis.
3. Sealed bids (over \$150,000). Bids are publicly solicited and a firm fixed price contract is awarded to the responsible bidder with the lowest price. This is the preferred method for procuring construction if a project description is available, two or more responsible bidders are willing to compete, and the procurement lends itself to be a fixed price contract.
 - a. Bids must be solicited from an adequate number of bidders and must define the items or services. A firm fixed price contract will be made in writing to the lowest responsive and responsible bidder. Factors such as discounts, transportation cost and life cycle costs must be considered in determining which bid is lowest.
4. Competitive proposals (over \$150,000). This method is generally used when sealed bids is not appropriate. The following requirements apply:
 - a. RFPs must be publicized and identify all evaluation factors.
 - b. Proposals must be solicited from an adequate number of sources.
 - c. There must be a written method for evaluating proposals.
 - d. Contracts must be awarded to the responsible firm whose proposal is most advantageous to the project.
5. Noncompetitive proposals. This method may be used only when one or more of the following circumstances apply:
 - a. Item is available from a single source.

- b. There is an emergency which requires the purchases which cannot be delayed.
- c. Federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals.
- d. After solicitation of a number of sources, competition is determined inadequate.

8. General Policy Information

Buying Versus Leasing...1

Insurance...2

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Contract Review...4

Sales Tax and Tax-Exempt Identification Numbers...5

Reimbursement...6

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8.1 Buying Versus Leasing

Economic benefits of leasing versus buying must be determined before entering into any lease agreement. One of the considerations in determining lease versus purchase is the availability of funds. The Purchasing Department is responsible for approving lease agreements and contracts at their inception. End user departments should consult with the Purchasing Department prior to requisitioning to determine the qualified leasing vendor who will provide services to the University.

Upon approval, a formal University Purchase Order will be issued. The user department should define the Lease Agreement on the requisition (indicating whether it is a new or renewal agreement). A copy of the Lease Agreement must accompany the requisition.

A final and important consideration that will be made in determining lease versus purchase is the availability of funds.

8.2 Insurance

Prior to the commencement of any services for the University, evidence of appropriate insurance coverage must be submitted by the vendor. Terms and conditions are documented on the Purchase Requisition/ Order. The office of Risk Management determines vendor compliance.

Fairleigh Dickinson University has established minimum contractor and vendor liability insurance requirements. Contractors and vendors that do business with the University are expected to meet these minimum requirements. Accordingly, prior to the commencement of any services on University premises, department managers and/or project managers must obtain a Certificate of Insurance verifying required minimum insurance limits, and also adding Fairleigh Dickinson University as an additional insured. All Certificates must be forwarded to the Office of Risk Management for compliance review, recording, and maintenance in a central Certificate of Insurance file.

The University's minimum contractor and vendor liability insurance requirements are described below. The University's minimum insurance requirements are also included with the Purchase Requisition/Order's General Terms and Conditions found on <http://fd�.edu/potërms> . Risk Management must approve any exceptions to the minimum insurance requirements of the University. If any work to be performed under the terms of the contract is awarded to a subcontractor by the contractor, the subcontractor shall be required to meet the same insurance requirements as those applicable to the contractor or vendor.

On a regular basis, the Purchasing Department provides Office of Risk Management with a list of all vendors, including contract vendors, which require insurance certificates. If applicable, the Purchasing Department will indicate the term of the contract on the list.

On a regular basis, the Office of Risk Management will provide the Purchasing Department with a list of all vendors who have met the University's insurance liability requirements. The Office of Risk Management is responsible to resolve issues related to non-compliant insurance certificates.

All Certificates of Insurance verifying minimum insurance requirements must be submitted to the Office of Risk Management, Fairleigh Dickinson University, 1000 River Road, H-DH1-01, Teaneck, NJ 07666, prior to contractor or vendor performing, selling or distributing products and services at the University.

8.3 Certificate of Insurance

The Purchasing Department reviews requisitions and advises the Office of Risk Management of any order to a supplier/vendor where goods and/or services are being provided to the University.

Any vendor coming onto campus will require a Certificate of Insurance. Purchase Orders will not be processed without an approved Certificate of Insurance in place. Please leave ample time for the Office of Risk Management to obtain, review and approve the document to make sure that it meets the University's insurance requirements.

8.4 Contract Review Policy

This policy is to ensure that any commitment of University resources and all related agreements obligating the University are properly reviewed and approved. This policy describes necessary steps in the contract review process and identifies the individuals who are authorized to commit institutional resources on behalf of the University through agreements executed in its name.

The link to the Contract Review Policy is as follows:

<http://view.fdu.edu/files/fducontractpolicyfinal.pdf>

Once the Contract Review process is complete, the Purchase Order can be processed. Submit the Purchase Order Requisition attaching all necessary paperwork (quotes, contracts, agreements, etc.), and forward to the Purchasing Department. The Purchase Order will be returned if all the pertinent documentation is not included.

8.5 Sales Tax and Tax-Exempt Identification Numbers

The University is exempt from NJ State Sales Tax and sales tax in certain other states. Upon request, the Purchasing Department will furnish a copy of the University Tax Exemption Certificate to appropriate vendors for purchases that require a tax identification number. For complete listing of tax exempt states refer to the Accounts Payable website under Accounts Payable FAQs & Information.

No person or entity other than Fairleigh Dickinson University may use Fairleigh Dickinson University's tax-exempt status and identification numbers at any time for personal purchases. Inappropriate use of the University's tax exempt number could jeopardize the University's tax-exempt status.

8.6 Reimbursement

Advancing Personal Funds

Departments should select vendors who accept University Purchase Orders. Individuals, as a general rule, should not advance their own funds to purchase supplies and services on behalf of the University. Purchases should be made through established Purchasing Policies and Procedures.

8.7 Supplier Scams

University faculty and staff should be aware of unauthorized supplier representatives using questionable business tactics to market "special promotions," "limited time offers," etc. for copier toner, office supplies, maintenance items, etc. These telemarketers attempt to scam the University by convincing faculty and staff to order or approve shipments of goods based on the misperception that they are a University approved supplier. Some of their questionable business tactics include:

- a. Deadlines for special promotions.

- b. Invoices for goods never shipped.
- c. Asking to provide serial numbers of equipment.
- d. Phone calls about renewal orders never shipped.
- e. Pre-authorization for a future shipment.

All calls of this nature should be directed to the Purchasing Department.

8.8 Audit Process

University departments are subject to audits by the University's external auditors and by the Office of Internal Audit. The audit process examines and evaluates the adequacy and effectiveness of internal controls, which include among other things, safeguarding of assets and compliance with policies, procedures, laws, and regulations. Departments should therefore review their buying practices periodically to be sure they are in compliance with all policies and procedures.