

## **TYPES Of PURCHASES**

### **Small Purchases**

The North Carolina Administrative Code defines small purchases as those purchases of commodities or services for which the expenditure is \$5,000 or less and that are not covered by a term contract. Departments may not divide direct purchases into smaller orders of \$5,000 or less to avoid seeking competition. Anything over \$1,500 requires a procurement request to be submitted to purchasing

### **Purchases over \$5,000**

Written competition must be solicited by the Purchasing Department for purchases over \$5,000. Even in the case of an approved sole source purchase, a written quote or bid will be obtained. When the total cost of a purchase is \$150,000 or more, Appalachian is required to bid through the State Purchase and Contract Division. Departments may not divide a purchase into multiple orders under \$150,000 to avoid the state requirement.

**IMPORTANT NOTE:** When issuing procurement requests, PIs should allow sufficient lead-time to solicit bids, evaluate the bids, place the order, and effect delivery. Please allow at least 12 to 14 days between a quotation and the issuance of a purchase order. Formal bids solicited by the State Purchase and Contract Division in Raleigh require approximately four to six weeks. An additional two weeks will be required to evaluate the bids and place the order.

## **METHODS FOR PURCHASING**

### **P-Card Purchases**

The Appalachian Procurement Card, or P-Card is essentially a standard Visa Card. The P-Card is usually issued to an employee, allowing this person to purchase goods on behalf of the University. P-Cards are used for certain small purchases totaling less than \$1,500, including taxes, delivery and costs to place item into operation. Under no circumstance may the P-Card be used for personal purchases. For specific information on the P-Card please contact Appalachian's Procurement Card Program Administrator: Judy B. Ball, 828-262-2082 email: [balljb@appstate.edu](mailto:balljb@appstate.edu)

### **Blanket Purchase Orders**

In certain cases, a project may have a recurring need for miscellaneous supplies of a minor nature, which are not available under existing contracts or from the Central Warehouse. Thus, the Principal Investigator may request a blanket purchase order. The PI's home department will submit a procurement request to the Purchasing Office specifying the category of materials needed and the names of the individuals who would be authorized to place orders.

A blanket purchase order will require:

- The period of time covered by the order, e.g., quarterly, semiannually, annually, etc.
- The commodities covered, e.g., chemical supplies, assays, animal feed, etc.
- The total dollar value that can be encumbered under the blanket order and the monetary limitation applicable to each individual transaction.
- Data required on delivery tickets or invoices.
- Invoicing and billing instructions.
- A list of persons authorized to make purchases against the blanket purchase order.

**IMPORTANT NOTE** - Before purchasing items against a blanket purchase order, a check should be made to determine whether the items required may be obtained either from University stock or under an established contract. Blanket purchase orders are issued for supply and service type items only.

### **Changes to Purchase Orders**

A Purchase Order is binding. When a purchase order is issued by the Appalachian Purchasing Office, it becomes a binding contract and cannot be broken by either party so long as both parties live up to the terms and conditions of the agreement. Thus, any department desiring to make a change to a purchase order should advise the Purchasing Office in writing. Any changes to a purchase order, such as: terms and conditions, price, account number, cancellations, quantities, or substitutions must be requested through the Purchasing Office. A request for a change must include the purchase order number, and a detailed description of the change to be made. If the change request is acceptable to all parties, an official Change Order

will be issued. Copies of the completed change order are distributed to all areas that receive copies of the purchase order.

**IMPORTANT NOTE:** Although most vendors are willing to make reasonable changes, the Appalachian Purchasing Office cannot guarantee that a vendor will agree to change an order without penalty. Please note that most grants and contracts do not allow for the payment of fees and penalties. However, when a purchase order is not written in accordance with the terms and conditions offered by the vendor, it does not become a binding contract until the department acknowledges and accepts these changes in writing.

### **On-Line Requisition**

It is the responsibility of the requesting PI and/or department to ensure that the general ledger account has adequate budget balance available (BBA) in the appropriate budget pool prior to submitting an on-line procurement request. On-Line requisitions must be submitted in accordance with the detailed instructions in the Banner On-Line Requisitioning Manual. Once submitted, the requisition will be transmitted on-line to the established approving authority having administrative responsibility for the account. If approved, the requisition will then be transmitted on-line to the Purchasing Department.

**IMPORTANT NOTE –** The Principal Investigator or department administrator should make sure that after a purchase order has been processed that a copy is returned to the department indicating that the materials have been ordered.

### **Hard Copy Procurement Request**

After removing the departmental copy, the completed procurement request is submitted to the Controller's Office for budget approval. If sufficient unobligated funds remain in the general ledger account, the request is approved and forwarded to the Purchasing Office. If sufficient funds are not available, or if the request does not have the appropriate authorizing signature, the procurement request will be returned to the department.

## **RESPONSIBILITIES ASSOCIATED WITH PURCHASING AND RECEIVING GOODS**

**All purchases from commercial vendors must be made in accordance with the policies and procedures detailed in the Resource Manual.**

3.1.2 Purchases from sponsored programs must strictly adhere to all contracts, grants and other agency guidelines. These guidelines may restrict the purchase of specific items through sponsored accounts. Individual granting agencies also may be more restrictive and may not allow certain purchases. It is the Cardholder's responsibility to be aware of the rules and guidelines applicable to each account

### **Invoice Information**

All invoices should be forwarded to the Purchasing Office by the vendor. If an invoice is received by the investigator or his/her home department, it should immediately be forwarded to the Purchasing Office/Originator. Failure to provide this information may result in delays in processing.

The invoice must always contain

- Name of the supplier
- Number of the blanket purchase order
- Date of the call
- Name of person calling or making the pickup
- Itemized list of supplies furnished
- Quantity, unit price(s) and extension(s)
- Applicable discounts
- Date of delivery or pickup

### **Goods Received**

- Most goods bought on purchase order will be received by the Central Warehouse and delivered to the PI and/or department. The Investigator must check the shipment for correctness and for damage as soon as possible, but no later than 5 days after receipt. If the shipment is correct and undamaged, no further action is required. The Receiving Section at Central Warehouse will automatically electronically receive the purchase 5 working days after delivery to allow payment by the Controller Office. If the shipment is incorrect or damaged, the Central Warehouse must be notified immediately (prior to the 5th day after receipt).
- **IMPORTANT NOTE** - Purchased goods which are delivered directly to the department by the vendor have not been processed through the Central Warehouse. Therefore, it is essential that the department notify the Central Warehouse of satisfactory receipt as soon as possible, so the receiving report can be processed to allow payment.

**Billing Action** - Receipt of the supplies must be acknowledged on the delivery ticket/invoice by a person authorized to sign for such purchases. Tickets should be forwarded to the appropriate officer for review and filing until the end of the supplier's billing period. At the end of the billing period, all tickets for that period should be forwarded to the Purchasing Office. Statements will be reconciled with delivery tickets/invoices prior to being processed for payment.

**Additional resources:**

<https://www.webapp.appstate.edu/electronicforms/newdefault.asp>

<http://www.materials.appstate.edu/purchasing.htm>

<http://www.materials.appstate.edu/warehouse.htm>

<http://www.doa.state.nc.us/PandC/>