

<b>Title</b> Purchasing & Bidding Requirements		<b>Category</b> Financial
<b>Responsible Department</b> Procurement Services	<b>Responsible Officer</b> Director	<b>Effective Date</b> July 1, 2017

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**I. General Scope**

This policy affects the following groups within the University:

- Executive Offices
- Full-Time Staff
- Part-Time Staff
- Full-Time Faculty
- Part-Time Faculty
- Budget Manager

**II. Scope Detail**

This policy affects those with responsibility for spending university funds, including budget managers, ProCard holders/approvers and individuals with delegated spend authority.

**III. Policy Summary**

This policy outlines the requirements and responsibilities associated with making university purchases including competitive bidding, master agreements/contracts, purchase orders, vendor selection and vendor solicitations.

**IV. Policy History**

July 1, 2017 – Policy rewritten to merge three existing policies: Competitive Bidding, Purchasing Authority & Responsibilities, and Vendor Selection.

**V. Policy Approvals**

TBD – Office of the Secretary

**VI. Policy**

**Overview & General Standards**

University departments are allocated specific funds each fiscal year during the annual budget process for purchasing activity. Within each department, a budget manager is assigned responsibility for these funds and has the authority to make, approve and delegate purchasing transactions within the guidelines listed in this and other university policies.

Budget managers, including university officers, have the fiduciary responsibility to ensure funds are properly spent, including:

- Ensuring purchases are based on genuine need, avoiding the acquisition of unnecessary or duplicative items

- Conducting price analyses to determine market rates, where appropriate, and to conduct purchasing transactions in a manner that maximizes competition
- Maintaining vendor oversight to ensure that they perform in accordance with the terms, conditions, pricing (including any refunds) and specifications of their contracts/purchase orders
- Ensuring that funds are not expended solely to utilize budget dollars

Budget managers may delegate aspects of their purchasing authority to other university employees through the Budget Manager Delegation system in Campus Connect or through allowance of a University ProCard. While the budget manager may delegate transactional authority, they remain responsible for the budget as well as for ensuring their designees understand the approval requirements and exercise good judgment in protecting the best interests of the University.

### **Vendor Selection**

Vendors should be selected based on their ability to successfully perform the terms and conditions of the contract or sell at a competitive price.

Procurement Services retains the primary, but not exclusive, responsibility for the selection of vendors, evaluation of costs (both for purchase and on-going costs), determination of delivery methods, and negotiation of the general terms for contracts (with input from the Office of the General Counsel).

#### Preferred Vendors

Whenever possible, University departments should select a preferred vendor for their purchasing needs. These vendors provide a high level of value to the University and should be utilized for most purchases. A listing can be found at the [Procurement Services](#) website.

#### Departmental Vendors

If a preferred vendor is unable to fulfill the requirements of the purchase, departments may select an alternate vendor. In these cases, departments should take into account factors that provide value, which may include:

- **Quality of products and/or services**  
Ensure the product and/or service being purchased meets the needs of the department. Look to see if the vendor offers other value-add services that may improve the purchase. Perform reference checks where appropriate.
- **Competitive pricing**  
Ensure pricing is competitive to similar vendors, including all associated costs such as shipping, warranties, fees, etc.
- **Delivery times**  
Ensure the delivery timeframe meets the department's needs. It may be less expensive to delay shipment or services if the purchase is not needed right away.
- **University Mission**  
Ensure the company fits the university's [vendor selection philosophy](#) statement, where mission-driven, compliant, socially just and environmentally responsible are spelled out.

1 All business needs being equal, preference should go to vendors that best fit the  
2 mission.

#### 3 4 University Resources

5 Departments should also check to see if the university offers internal resources at no cost or a  
6 lower cost than external vendors. See the [University Resources](#) page on the Procurement  
7 Services website for more information.

#### 8 9 New Vendors

10 For any payments that will be made through Accounts Payable (including purchase orders), the  
11 vendor must be set up in PeopleSoft. This will take place by Procurement Services for  
12 requisitions or by Accounts Payable upon receipt of an invoice.

13  
14 New vendors will be required to fill out applicable IRS tax forms prior to a requisition being  
15 approved or payment being made. Vendors may be subject to IRS tax withholding.

16  
17 Departments are encouraged to contact Procurement or Accounts Payable early in the process  
18 to ensure vendors are set up correctly and to avoid delays. International vendors have special  
19 requirements and may take additional time to set up.

#### 20 21 Vendor Selection for Purchases over \$25,000

22 For purchases or contracts over \$25,000, competitive bidding requirements apply to vendor  
23 selection, see the Purchases over \$25,000 section below for more information.

#### 24 25 Special Purchases Processes and Prohibited Expenses

26 Several types of purchases have special requirements or are not allowed to be bought with  
27 university funds. See the [Prohibited and Special Purchasing Processes](#) policy for more  
28 information.

### 29 30 **Contracts and Master Agreements**

31 Contracts are subject to this policy as well as to the [Contract Requirements and Procedures policy](#), which  
32 states:

33  
34 *A formal written contract, i.e., a document with agreed-on terms, signed by both parties, must*  
35 *be in place for all non-goods contracts (e.g., contracts for services, consulting, construction,*  
36 *licensing, etc.), unless the contract value is less than \$1,000, and all Special Risk contracts, unless*  
37 *authorized otherwise by OGC. A formal written contract is not required for transactions only*  
38 *involving the purchase of goods, provided that (a) Procurement Services' policies and procedures*  
39 *are followed, and (b) the transaction does not involve any issues of Special Risk.*

40  
41 *This policy should be applied to extensions and renewals of existing contracts as if such*  
42 *arrangements were being negotiated and signed for the first time.*

43  
44 Contracts that also require a purchase order cannot be signed until given approval by Procurement  
45 Services, as changes may be necessary through the business or legal review processes. Once a purchase

1 order is generated and the contract signed, Procurement Services may send both documents to the  
2 vendor.

### 3 4 Master Agreements

5 A master agreement ("MA") is a special type of contract that is commonly used when utilizing a  
6 vendor to purchase goods or services multiple times over a longer period of time, but the  
7 specifics (e.g. quantity, specifications) of each order are not known up front. Combining these  
8 types of purchases under an MA may provide better leverage on pricing and other terms and as  
9 such, an MA should be used in these circumstances whenever possible.

10  
11 The MA covers various general legal and business terms so that a contract does not have to be  
12 negotiated for each individual order. Typical business terms include price (by part, hour, etc.),  
13 brief description of services provided, quality of service expectations, included ancillary services  
14 (warranty, shipping, etc.) and other key terms. A quote and purchase order is then generated,  
15 referencing the MA, for specific orders that includes what specific products or services are being  
16 ordered.

17  
18 All new MAs, where orders would require a purchase order, with an actual or estimated value  
19 over \$3,500 require review and approval by Procurement Services prior to execution and may  
20 be subject to the same policies and restrictions as a purchase order. If the anticipated amount  
21 of the MA is greater than \$25,000, the bidding requirements in this policy also apply.

### 22 23 **Making Purchases with Federal Grant Funds**

24 When purchasing goods and services with federal grant funds, special standards and procedures apply.  
25 Guidelines that promote compliance with these requirements are displayed on the [Office of Research](#)  
26 [Services website](#). These guidelines must be followed by Principal Investigators and federal grant awards  
27 and by all those involved in initiating, processing, or reviewing and approving purchases made with  
28 federal grant funds.

### 29 30 **Purchases up to \$3,500**

31 Departments are generally able to spend up to \$3,500 without the need for a purchase order or  
32 additional approvals, except in some circumstances, outlined below. For these types of purchases, the  
33 university ProCard is the preferred payment method.

- 34 • A contract may be required per the [Contract Requirements and Procedures](#) policy
- 35 • Certain types of purchases have special processes or may not be allowed (e.g. catering,  
36 computers, gift cards, sales tax, used equipment, etc.), see the [Prohibited and Special](#)  
37 [Purchasing Processes](#) policy for more information.

### 38 39 **Purchases over \$3,500**

40 In addition to the circumstances above, most purchases over \$3,500 require a requisition and approval  
41 from Procurement Services prior to the order being placed (this includes verbally authorizing orders,  
42 signed contracts, accepted proposals, etc.). In line with the [Contract Requirements and Procedures](#)  
43 policy, no person has the authority to bind DePaul to purchases over this amount except in accordance  
44 with this policy. Purchases by individuals acting beyond the scope of their authority may be void and  
45 can result in personal liability and progressive discipline.

1 The \$3,500 threshold encompasses all costs that may be ordered or project work to be conducted (e.g. a  
2 \$4,500 contract with three payments of \$1,500 would require a requisition, not be sent through AP or  
3 put on a ProCard).

4  
5 Certain purchases covering non-controllable expenditures such as rent, utilities, taxes, debt service,  
6 employee benefits, legal services, government pass through costs (e.g. permits), insurance providers,  
7 etc. do not require a requisition but may have other requirements. Additionally, certain vendors who  
8 bill via "flat-file" directly to the University or are otherwise exempted by Procurement Services do not  
9 require a requisition. Procurement maintains the list of PO-exempt categories and vendors.

#### 10 11 Requisitions & Purchase Orders

12 When entering a requisition, detailed specifications describing the relevant goods or services  
13 required, warranty periods, payment terms, delivery terms, allowable variances, etc. should be  
14 included as this information will be transmitted to the vendor once it is approved.

15  
16 Backup documentation (quote, contracts, etc.) is required to be attached for all requisitions  
17 unless otherwise exempted. Departmental estimates in lieu of vendor provided documentation  
18 may be acceptable when projecting spend, provided there is a legitimate basis for the estimate.

19  
20 Procurement Services reviews the requisition for reasonableness of the request, pricing and  
21 vendor selection as well as compliance with this and other policies. Procurement may, after  
22 consultation with the requisitioning department, choose to award the purchase to a vendor  
23 other than that recommended by the end user. Once approved by all levels, the requisition is  
24 converted into a purchase order. Procurement will then transmit the purchase order to the  
25 vendor, initiating the order.

26  
27 Additional approvals may be required, depending on the type of purchase and/or dollar amount:

- 28
- 29 • Contracts greater than \$50,000 and/or Special Risk (Office of the General Counsel)
- 30 • Fund 5xx (Office of Research Services)
- 31 • Greater than \$25,000 (Director of Procurement Services)
- 32 • Insurance requirements (Risk Management)
- 33 • Leases (Real Estate Office and/or Financial Accounting)
- 34 • Technology good and services (Information Services), excluding:
  - 35 ○ Computers purchased through the standard ordering process
  - 36 ○ Devices running mobile operating systems (iOS, Android, Windows Mobile, etc.)
  - 37 ○ Printers and multifunction devices
  - 38 ○ Computer peripherals and accessories
  - 39 ○ Desktop software with less than 10 seats/licenses
  - 40 ○ Hardware purchased by CDM
- 41

42 Procurement may consider a requisition to be non-compliant and "after-the-fact" if it is  
43 submitted too late for the approval process to implement changes if needed. Procurement may  
44 consider such requisitions compliant: (1) if we have the opportunity to review a contract or  
45 other documents prior to requisition entry but within enough time to conduct a review or (2)  
46 the invoice is part of a standard renewal without any upfront quoting or contracts (e.g.  
47 membership, support, etc.).

1  
2 Deposits and Prepayments

3 Deposits and prepayments are generally discouraged, but are acceptable in small amounts (e.g.  
4 10-20%) or where it is common for the industry (e.g. events or catering). The deposit is factored  
5 into the total cost of the contract and is used to determine the approval framework.  
6

7 If a purchase order is required, departments that wish to pay a deposit or prepayment via the  
8 ProCard may do so only with the permission of Procurement Services. If the total value of the  
9 deposit plus remainder is less than \$3,500 and no purchase order is required, all payments can  
10 go on the ProCard without Procurement's approval.  
11

12 Change Orders

13 If the terms of the purchase should change after a purchase order was created (quantity, cost,  
14 etc.), a change order can be requested by contacting Procurement Services.  
15

16 Depending on the change, additional approvals may be required and Procurement Services may  
17 require additional documentation.  
18

19 **Purchases over \$25,000**

20 In addition to the circumstances above, purchases of goods or services (including contracts and master  
21 agreements) with an actual or estimated value over \$25,000, the department must conduct a  
22 competitive bid (e.g. a \$30,000 contract with three payments of \$10,000 each is subject to the  
23 competitive bidding requirement).  
24

25 A competitive bid can usually be obtained through one of the following methods:  
26

- 27 • For simple purchases, written quotes received from multiple companies (generally at least  
28 three) either through direct contact or a review of printed/online catalogs and other materials.  
29 Under this method all vendors must be treated equally (e.g. one provider cannot be given the  
30 opportunity to provide a special pricing quote while others are based on standard online prices).  
31
- 32 • For larger or more complex purchases, a formal process whereby vendors are asked to respond  
33 to a variety of needs and responses are then evaluated on multiple criteria. These can be  
34 conducted by the department, by Procurement or in conjunction.  
35

36 Guidelines for All Competitive Bids

37 When conducting a competitive bid, the following must occur:  
38

- 39 • No employee may participate in the selection or award if a real or apparent conflict of  
40 interest would be involved unless the [Conflict of Interest policy](#) is followed.
- 41 • Where feasible, vendors that assist DePaul with developing specifications, requirements,  
42 statements of work, or requests for proposals should be excluded from competing for the  
43 contracts to which the specifications, etc. pertain as they have insight that is not available to  
44 other bidders.
- 45 • Responses and other non-public information, including pricing, from bidders must be  
46 considered confidential and may not be disclosed to other bidders or vendors.

- Vendors participating in the competitive bid should be of comparable functional and technical levels in terms of ability to provide the required goods or services.
- The competitive bid must be distributed to an appropriate number of potential bidders, generally a minimum of three.
- All bidders and respondents must be given equal treatment. No one (including any incumbent vendors) should receive information that is not shared with all parties
- Evaluation criteria must be consistent for all vendors.

### Formal Processes

A Request for Proposals (RFP) is a formal document that signifies to vendors the university's intent to enter into a larger or more complex contract. RFPs may be prepared in conjunction with Procurement and should include:

- A clear and accurate description of the technical requirements for the items or services
- An indication of when the services or items are needed
- Instructions regarding what to include in the proposal in addition to a cost estimate
- A deadline that provides a reasonable time frame for proposal submissions
- Instructions for proposal submission
- A description of the factors to be used in evaluating proposals

Evaluation of proposals should be conducted by a small, knowledgeable group such as the functional owners, impacted departments, Procurement, etc. The use of a grid or checklist that reflects the evaluation criteria included in the RFP is recommended. Factors such as past performance, capacity and qualifications to perform the work, warranty conditions, and/or maintenance availability may be considered along with price as long as they are included in the RFP.

Templates are available at the [Procurement website](#).

### Procurement Involvement

Procurement can provide support to departments for conducting competitive bids, which may include assistance in researching and drafting documents, determining needs, identifying potential vendors, communicating with vendors throughout the process and negotiating contracts.

Procurement involvement is recommended for most competitive bids. Procurement staff have expertise in running bid processes and various industries that can help to ensure the bid is properly conducted and able to stand up to scrutiny.

### Documentation of Competitive Bids

For competitive bids that result in a purchase order or master agreement, documentation is required to be shared with Procurement. This includes:

- The original bid document (RFP, email to vendors for quote requests, etc.)
- All vendor responses

- The “[bid documentation form](#)” which briefly describes the vendors solicited and reason for the selection. If the vendor with the lowest price did not win, briefly note what other relevant factors led to the decision.
- If available, a more detailed selection document (e.g. an evaluation criteria grid)

### Competitive Bidding Exemptions

Competitive bidding is not required for the following:

- Advertising Agencies - a competitive bid is only required when the university feels a change in advertising direction warrants the estimated costs necessary to cover work done by prospective vendors
- Banking services, as governed by larger university-wide agreements
- Deeply Integrated Software – only for renewals of software deeply integrated into the university, making a transition to another provider a very costly undertaking (examples include: PeopleSoft, Tableau, AdvanceWeb, Blackboard, Andover, etc.)
- Event venues
- External legal counsel
- Grant subawards
- Partnerships and affiliations with educational institutions
- Purchases made from preferred vendors
- Purchases necessary to respond to an immediate emergency
- Sole source purchases - those that are unique and no other vendors offer a comparable product or service (examples include data sets, entertainment/performers/tickets, certification programs, memberships, charities, game guarantees, etc.). Purchasing services from a manufacturer is not considered sole source unless no other providers can offer similar services.

Procurement must agree with the department’s justification of an exemption above in order for it to be considered compliant with this policy.

In addition to the above exemptions, Procurement may exempt a competitive bid. In doing so, Procurement will review the [department’s request](#) and determine if a bid will not provide value. In preparing their request, the department should include justification as to why a bid is not necessary (e.g. how does the university know the price is competitive, service levels are high, an analysis of competition, switch out cost vs. benefit, etc.) as well as the projected value of the purchase or contract.

In some cases, Procurement may defer exempting a bid and instead ask an executive office to determine if it should be granted. Executive officers, or their delegates, may also chose to exempt purchases from competitive bidding.

### **Payment Processes**

The university ProCard is the preferred payment method when possible. See the [Procurement Card policy](#) for more information and restrictions. However, the university should generally not pay any fees imposed by the vendor for use of the card. Generally vendors will eliminate these fees through

1 negotiation or a competitive bid process. For purchases above the standard limit, a purchase order is  
2 required as described above or contact Procurement for a temporary increase.

3  
4 If the vendor does not accept credit cards, the invoice or a voucher payment request form can be used  
5 for payment. Departments are responsible for ensuring the invoice is sent to [Accounts Payable](#) for  
6 processing.

### 7 8 **Vendor Gifts and Solicitations**

9 Existing and prospective University vendors generally should not be solicited for any gifts, sponsorships  
10 or donations without the approval of Procurement Services or the Office of Advancement. However,  
11 areas that “own” the vendor relationships for that category (e.g. office supplies is owned by  
12 Procurement Services, facility contractors are owned by Facility Operations) may do so when  
13 appropriate but such solicitations should be communicated to Advancement and any relevant business  
14 offices to ensure efforts are properly tracked or done in a coordinated and compliant manner.

15  
16 University employees (or agents) may not solicit gratuities, favors, or anything of monetary value from  
17 potential or current vendors. Gifts may be accepted (but not solicited) in some instances, see the [Gifts](#)  
18 [to Employees policy](#) for more information.

### 19 20 **Related Policies**

- 21 • [Authorized Signatures and Delegation of Transaction Approval/Authority](#)
- 22 • [Conflict of Interest](#)
- 23 • [Contract Requirements and Procedures](#)
- 24 • [Employee and University Guests Reimbursement \(Travel and Other Reimbursements\)](#)
- 25 • [Gifts or Donations from the University to External Parties](#)
- 26 • [Gifts to Employees](#)
- 27 • [Honorarium Payments](#)
- 28 • [Membership in Organizations](#)
- 29 • [Payments to Vendors, Service Providers and Other External Parties](#)
- 30 • [Procurement Card \(ProCard\) Requirements](#)
- 31 • [Software Licensing](#)
- 32 • [Prohibited and Special Purchasing Processes](#)
- 33 • [Use of Independent Contractors / Consultants](#)

### 34 35 **Exceptions**

36 Any exceptions to this policy must be approved in writing by the Director of Procurement Services.

### 37 38 **VII. Procedures**

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40 A variety of detailed procedures can be found at the [Procurement Services website](#).

### 41 42 **VIII. Divisional Collaborations**

43 General Counsel  
44 Office of the Controller

### 45 46 **IX. Contact Information**

- 1
- 2 **Procurement Services**
- 3 <http://procurement.depaul.edu>
- 4 (312) 362-7510
- 5 [procurement@depaul.edu](mailto:procurement@depaul.edu)
- 6
- 7 **X. Appendices**
- 8 None

<b>Title</b> Prohibited and Special Purchasing Processes		<b>Category</b> Financial Affairs
<b>Responsible Department</b> Procurement Services	<b>Responsible Officer</b> Director	<b>Effective Date</b> July 1, 2017

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**I. General Scope**

This policy affects the following groups of the University:

- Executive Offices
- Full-Time Staff
- Part-Time Staff
- Full-Time Faculty
- Part-Time Faculty
- Budget Manager

**II. Scope Detail**

This policy affects those with responsibility for managing university funds, primarily budget managers but also managers, ProCard users and others.

**III. Policy Summary**

This policy details the types of purchases that are either not allowed or have a specific process that must be followed. It references other policies where applicable. The payment type (ProCard, reimbursement or voucher) does not make a difference.

**IV. Policy History**

TBD – New policy, centralizing the types of purchases that are not allowed or have specific processes. Previously many of these items existed in other policies or not at all.

**V. Policy Approvals**

TBD

**VI. Policy**

Certain types of purchases are either not allowed, or have specific processes that must be followed, regardless of their payment type (ProCard, reimbursement or voucher request). This is not an exhaustive list. If planning on making any purchases that may have special risks or other issues, contact Procurement Services to discuss prior to purchasing.

University departments may have stricter rules in place regarding how budgets can be utilized. Contact the unit budget manager to see if any additional restrictions are in place.

- **Catering**  
The University has an exclusive catering agreement in place. See the [Catering Exclusivity](#) policy for detailed information.
- **DePaul Purchases**

1 Purchases made by departments to other DePaul departments (tuition payments, parking  
2 passes, athletic tickets, DePaulia ads, etc.) are to be processed via a journal entry and not on the  
3 ProCard or through an invoice.  
4

- 5 • **DePaul Logo Use**

6 Use of the DePaul logos are governed by the [University Logos and Signature](#) policy.  
7

- 8 • **Desktops, laptops and enterprise tablets (e.g. Surface)**

9 All computer purchases must conform to university standards and be purchased through normal  
10 processes. See the [How to Buy](#) website for more information. Tablets with mobile operating  
11 systems (e.g. iPads, Android) may be purchased on the ProCard without additional approvals.  
12 See the Computer Policy for more information.  
13

- 14 • **Gift Cards and Other Gifts**

15 Gift cards and any gifts to employees or students require special considerations and permission  
16 prior to purchase. See the [Gifts to Employees](#) policy for detailed information.  
17

- 18 • **Legal Counsel**

19 External legal counsel may not be contracted or retained without permission by the [Office of the](#)  
20 [General Counsel](#). This includes any licensed attorney providing professional legal services. See  
21 the [External Legal Counsel policy](#) for more information.  
22

- 23 • **Printers**

24 When purchasing printers with university funds, departments must choose the printer which  
25 best suits their needs from the selections made available at the [Procurement Services website](#).  
26 See the Computer Policy for more information.  
27

- 28 • **Sales taxes**

29 The institution is tax exempt on most purchases made in the state of Illinois (the exemption  
30 does not apply to items such as travel, meals, utilities, etc.). Departments can contact  
31 [Procurement Services](#) or [Accounts Payable](#) to request that a copy of the tax exemption letter be  
32 sent to the vendor.  
33

34 If a payment of sales tax occurs, the individual should make an attempt to obtain a refund from  
35 the vendor. However, this may not be necessary for low dollar amounts or low risk vendors  
36 (such as subway tokens while traveling on university business) and is at the discretion of the  
37 individual and unit management. If sales taxes paid is over \$25, an attempt to receive a refund  
38 must always be made.  
39

- 40 • **Software licenses**

41 DePaul centrally has many software licenses already in place that may be available at no  
42 additional cost to the institution. Review [software.depaul.edu](#) and the [Software Licensing policy](#)  
43 prior to making any software purchases.  
44

- 45 • **Shipping (Inbound)**

1 All purchases should be FOB Destination, meaning DePaul takes ownership of the item once it  
2 has been delivered. If the item is damaged during shipping, the vendor is responsible for the  
3 costs of repair or replacement.  
4

- 5 • **Stationery**

6 Stationery orders must be placed through the university's [preferred vendor](#). See the [Letterhead](#)  
7 [and Stationery](#) policy for more information.  
8

- 9 • **Technology**

10 Various technology purchases (e.g. computers, mobile devices, network connected devices,  
11 cloud services, printers) are governed by the [Computing Policy](#).  
12

- 13 • **Used equipment**

14 Purchases of any used equipment require approval by Procurement Services.  
15

- 16 • **Vans**

17 Vans that seat 15 passengers, or larger, are not allowed.  
18

19 **Exceptions**

20 Any exceptions to this policy must be approved by the Director of Procurement Services.  
21

22 **VII. Procedures**

23 Detailed purchasing processes can be found on the [Procurement Services website](#), specifically on the  
24 [How to Buy guides](#).  
25

26 **VIII. Divisional Collaborations**

27 None  
28

29 **IX. Contact Information**

30 **Procurement Services**

31 <http://procurement.depaul.edu>

32 (312) 362-7510

33 [procurement@depaul.edu](mailto:procurement@depaul.edu)  
34  
35

36 **X. Appendices**

37 None

<b>Title</b> Procurement Card (ProCard) Requirements		<b>Category</b> Financial Affairs
<b>Responsible Department</b> Procurement Services	<b>Responsible Officer</b> Director	<b>Effective Date</b> July 1, 2017

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**I. General Scope**

This policy affects the following groups of the University:

- Executive Offices
- Full-Time Staff
- Part-Time Staff
- Full-Time Faculty
- Part-Time Faculty
- Budget Managers

**II. Scope Detail**

This policy affects those with responsibility for managing funds related to the ProCard program – cardholders, approving officials, proxies, budget managers and other managers.

**III. Policy Summary**

This policy outlines the requirements and responsibilities associated with the university Procurement Card program.

**IV. Policy History**

September 2016 – Policy rewritten and updated to better communicate requirements, responsibilities, consequences of misuse and other elements of the program.

**V. Policy Approvals**

**VI. Policy**

**Overview**

The University Procurement Card (ProCard) is a corporate liability credit card, provided to employees with a valid business need to provide them with the flexibility to quickly and easily obtain goods and services. The ProCard is the preferred method of payment as it streamlines purchases to improve efficiency and reduce administrative costs.

**Types of ProCard Users**

- Cardholder – The cardholder is the person to whom the card is issued and whose name is embossed on the front. Cardholders can delegate system edits, but not the responsibility, to a proxy.
- Approving official - Approving officials review and approve transactions submitted by cardholders. The approving official is generally the cardholder’s direct supervisor. In some cases, multiple approving officials may exist (e.g. a budget manager as well as a supervisor).

1 University officers and executives may delegate their approval role if they so choose, but that  
2 delegation cannot result in the approval of their own transactions or those of the officer.

- 3
- 4 • Proxy – A proxy is an individual who has the ability to make chartfield edits, document  
5 transactions and attach receipts to transactions on behalf of the cardholder. Once the proxy  
6 submits the transaction for approval, it is generally routed to the cardholder for review before  
7 being routed to the approving official(s).

### 8

### 9 **Cardholder Eligibility**

10 All employees are eligible to enroll in the program provided the employee has a legitimate business  
11 need and approval from their manager. Part-time employees may receive a card only if they also have a  
12 regular work schedule (generally greater than 15 hours per week).

13

14 To apply for the program, the [ProCard Application Form](#) is required and must be signed by both the  
15 potential cardholder and their supervisor. The cardholder must have a background check on file with  
16 the Office of Human Resources or submit to have one conducted per the Criminal Background Checks  
17 policy. Prior felonies of a financial nature may disqualify the user from ProCard eligibility.

18

19 Once all forms have been approved, cardholders must attend a training session before the card will be  
20 issued. Training covers usage of the card, policy requirements and the online system.

21

22 Cards not used in over year may be cancelled without prior notice if there is not sufficient justification  
23 for the inactivity.

### 24

### 25 **Use of the ProCard**

26 The ProCard is only authorized for legitimate business expenses and cannot be used for personal  
27 expenses. If personal expenses occur on the card, the cardholder must reimburse the university within  
28 14 days of the transaction. Repetitive and/or egregious personal expenses may be subject to the  
29 violations section of this policy.

30

31 In some instances, specific processes or other payment methods may be more appropriate or required.  
32 Details of these other processes and policies that users should be aware of can be found in the  
33 [Prohibited and Special Purchasing Processes](#) policy. Examples include, but are not limited to:

- 34
- 35 • Catering
- 36 • Computer and tablet purchases
- 37 • Gifts and gift card purchases
- 38 • Sales taxes
- 39 • Software licensing
- 40 • Stationery
- 41 • Transactions between University departments (internal to DePaul)
- 42 • Used equipment

43

44 Additionally, cardholders cannot purchase items for their approving official's individual use (e.g. airfare)  
45 without written approval by that approving official's supervisor. This written approval must be attached  
46 to the transaction in the online system and be unique for each such purchase.

1 Cardholders are responsible for protecting the ProCard, as they would any university asset. It should not  
2 be left in unsecured areas when not in use nor should the card, or number, be shared with others.

### 3 4 **Spend Limits**

5 ProCards have a limit of \$3,500 per transaction and \$10,000 per monthly cycle by default. Department  
6 management can lower these default amounts at any time by contacting Procurement Services.

7 Permanently increasing the amounts above these limits requires approval from the approving official  
8 and Procurement Services.

9  
10 Transactions may not be split into multiple purchases to circumvent these limits. For temporary  
11 increases, contact Procurement Services with the desired limits and justification for the increase.

### 12 13 **Documentation Requirements**

14 All transactions (including credits, refunds, transaction fees, disputed transactions, etc.) must be  
15 documented in the 'Description' field of the online tool with a clearly stated business purpose (e.g. why  
16 the expense was needed to further DePaul's business).

17  
18 Travel (hotels, car rentals, conferences, transportation, etc.) also requires the dates of the trip or event.  
19 Meals and entertainment must include the names/titles/company/DePaul affiliation for all attendees.

20 These items can be documented either in the description field of the online system or be included as an  
21 attachment (e.g. part of the receipt or a separate attachment).

### 22 23 **Receipt Requirements**

24 All transactions require that itemized and legible receipts be obtained from the vendor and attached to  
25 the transaction in the online tool. Once the transaction has been fully approved in the online system,  
26 the receipt stored online becomes the official record and is the responsibility of Procurement Services in  
27 accordance with the [Records Retention Schedule](#). At that time the hard copy receipt may be destroyed.

28  
29 If a receipt is inadvertently lost, it may count as non-compliant with this policy. Cardholders then must:

- 30
- 31 • For purchases \$25 or more, make an attempt to obtain a copy from the vendor. If a copy cannot  
32 be obtained, the [Missing Receipt Affidavit](#) must be filled out and attached as backup.
  - 33
  - 34 • For purchase under \$25, the cardholder should still make an attempt to obtain a copy but for  
35 low dollar, low risk vendors (such as subway tokens while traveling on university business) this  
36 may not be necessary and is at the discretion of unit management. These transactions do not  
37 require the Missing Receipt Affidavit but the online system requires an attachment in order for  
38 transaction to be submitted for review. As such, some form of relevant backup is still required  
39 (e.g. an email from the cardholder to the approving official noting the missing receipt).
  - 40

### 41 **Review and Approval of Transactions**

42 All transactions must be submitted by cardholders and reviewed/approved by approving officials within  
43 45 days of the transaction's post-date. However, it is recommended that transactions be reviewed and  
44 approved as soon as possible to facilitate documentation of an accurate business purpose, reduce the  
45 incidence of lost receipts, facilitate early detection of fraud and ensure proper chartfields prior to  
46 upload to the general ledger (generally on the 28<sup>th</sup> of each month – see [Procurement website](#) for full  
47 schedule).

1 Cardholders must review chartfields to ensure the expense is appropriately classified, document the  
2 transactions in line with the requirements in this policy and attach any relevant documentation  
3 (receipts, additional information, etc.). Transactions must then be submitted to their approving officials  
4 for review and approval.

5  
6 Approving officials must review and understand all transactions to ensure that they are legitimate  
7 business expenses and in compliance with this and other university policies. This includes reviewing  
8 chartfields, documented business purpose, receipts and other attachments.

9  
10 If an approving official does not believe a transaction is in compliance, they must take one of the  
11 following actions to rectify the transaction so it can be approved, as all transactions must eventually be  
12 fully approved:

- 13
- 14 • The concern is corrected (e.g. business purpose is restated, chartfields corrected, more legible  
15 receipt attached)
- 16 • The cardholder reimburses the university, if it is a personal purchase
- 17 • Approving official or supervisor documents the issue and takes appropriate action if it is  
18 repetitive
- 19 • Progressive discipline is taken for repeated instances of non-compliance in line with Human  
20 Resources policies

21  
22 In cases of suspected fraud contact Internal Audit or the misconduct reporting hotline via phone at (877)  
23 236-8390 or submit a report online at [depaul.ethicspoint.com](http://depaul.ethicspoint.com). Allegations of fraud are protected by the  
24 university's [Non-Retaliation](#) policy.

### 25 26 **Leaves and Terminations**

27 If a cardholder goes on leave, the approving official is responsible for notifying Procurement Services so  
28 the card can be temporarily suspended. Procurement will monitor the transactions and submit them on  
29 behalf of the cardholder so that the approving official can enter a business purpose, chartfields and  
30 receipts prior to approving the transaction.

31  
32 Approving officials must notify Procurement of any employees with a ProCard who transfer to other  
33 departments or retire so the card can be cancelled. Cardholders who transfer departments will have to  
34 reapply if they will need a ProCard in their new position.

35  
36 Employees and/or their approving officials are responsible for returning/collecting any receipts or other  
37 documentation when an employee leaves the institution or department. The card should be destroyed.

### 38 39 **Lost/Stolen Cards and Disputed Transactions**

40 To report a ProCard lost or stolen, contact the bank as soon as possible at (800) 685-4039. The  
41 university and the department may be held liable for any charges made on the card if it is not reported  
42 in a timely manner.

43  
44 Transactions that the cardholder does not recognize must be disputed with the bank within 60 days.

### 45 46 **Violations**

47 Procurement Services, Compliance & Risk Management and other offices regularly conduct reviews of  
48 ProCard transactions. These reviews may look for compliance with this and other policies. Where

1 findings of non-compliance are repetitive and/or egregious in nature, a variety of consequences can  
2 occur, including but not limited to:

- 3
- 4 • Requirement to re-attend training
- 5 • Card suspension
- 6 • Card termination
- 7 • Reimbursement of inappropriate spending
- 8 • Disciplinary action, up to and including termination
- 9

### 10 **Exceptions**

11 Any exceptions to this policy must be approved by the Director of Procurement Services.

### 12

### 13 **VII. Procedures**

14 Information relating to using the ProCard, the online system and reporting tools available to  
15 departments can be found in the ProCard Handbook or the Procurement website.

### 16

### 17 **VIII. Divisional Collaborations**

18 None

### 19

### 20 **IX. Contact Information**

21 Procurement Services  
22 procurement.depaul.edu  
23 (312) 362-7510  
24 [procurement@depaul.edu](mailto:procurement@depaul.edu)

### 25

### 26

### 27 **X. Appendices**

28 ProCard Website  
29 <http://financialaffairs.depaul.edu/procurement/procard/procard.htm>  
30 <http://financialaffairs.depaul.edu/procurement/procard/handbook.htm>  
31 <http://financialaffairs.depaul.edu/procurement/purchasing/proforms.html#procard>

32

33

34 How to Buy Guides  
35 <http://financialaffairs.depaul.edu/procurement/howtobuy/howtobuy.html>