Procurement of Goods and Services

Policy/Procedure

All purchases and expenditures of Dickinson College (the “College”) funds must meet the ordinary business standard of reasonable and necessary, with prudent consideration of the College’s limited financial resources. Purchases of goods and services on behalf of the College are authorized in accordance with the College’s Procurement Authorizations Policy, and should not exceed the departmental budget or, in the case of restricted accounts, should not exceed the restricted fund balance.

Every reasonable effort should be made to obtain the best possible quality, service and price. For larger non-routine purchases and contracts, competitive proposals should be solicited and evaluated. Even for routine purchases, vendor prices should be checked periodically with those of reliable competitors.

Purchases may be made in person or by telephone, fax, internet, or mail. Employees who frequently purchase low dollar items and employees traveling on a frequent basis, are encouraged to apply for a College Purchasing Card. When making a purchase, an employee should perform the following procedures:

- Identify yourself as a Dickinson College employee, making a College purchase;
- Provide the vendor with the College’s tax exempt ID number1;
- Provide the vendor with explicit delivery information, including your name and department;
- Always ask for an order confirmation number. This is invaluable if you have discrepancies with the order or need to trace the delivery; and
- Retain an original copy of the receipt and other supporting documentation to validate the purchase.

If the purchase of goods is connected to a disposal, trade-in, sale, donation, etc. of College equipment, the Assistant Controller in Financial Operations must be notified in order to verify the method of disposal, valuation of assets, and any necessary accounting requirements for accurate recording in the Banner Fixed Assets module.

Grants often contain more restrictive covenants on the types of allowed expenditures along with requirements for competitive bidding. Employees purchasing under grants should check with the Grant Manager or Sponsored Programs in order to ensure proper compliance with grant restrictions.

Purchase Orders

1 The College’s tax exempt ID number can be found on the Financial Operations website (http://www.dickinson.edu/info/20082/financial_operations/1344/sales_tax_exemption) by clicking on the link for the state where the vendor is located.
Purchase Orders are not required by Financial Operations, but may be required by certain vendors or in certain departments. Departments utilizing Purchase Orders may establish a system of approvals, but must follow the overall *Procurement Authorizations Policy* established by the College when approving the invoice. Purchase Orders may be processed in Banner or hard copy (outside of Banner) Purchase Orders may be obtained by contacting Financial Operations.

**Vendor Selection**

New vendors should be evaluated based on competitive pricing, product availability, performance capability and quality assurance. Relationships with preferred vendors are maintained on the Financial Operations website. The use of preferred vendors allows the College to experience greater cost savings and to better evaluate the quality and level of service received from suppliers.

The College is required to document any related party transactions or vendors with which the College or employees could have a conflict of interest. If such a relationship exists, Financial Operations must be notified prior to the purchase of goods and/or services.

The College is also required to have an IRS Form W-9, *Request for Taxpayer Identification Number and Certification*, W-8BEN, *Certificate of Foreign Status of Beneficial Owner for United States Tax Withholding*, or an acceptable substitute form, along with an *Independent Contractor Status Determination Form*, on file for each vendor providing services to the College. The proper form must be on file in Accounts Payable before payments will be processed.

**Contract Review**

Negotiation of large vendor contracts or contracts which require an ongoing commitment of College resources should involve senior management. This policy is supported by the *Procurement Authorizations Policy*, which requires senior management approval on invoices over a specified dollar threshold. Departments are asked to forward all signed original contracts over $50,000 to the Vice President for Finance and Administration.

The criteria for involving a review by General Counsel is left to the discretion of senior management, but must consider the following factors:

- Total financial exposure ($)
- Duration of the College’s commitment
- Risk
- Other non-financial commitments, such as exclusivity

**Related Information**

Conflicts of Interest and Outside Employment Policy (HR)
Petty Cash
General Ledger Accounting
Fixed Asset Management
Sponsored Projects and Grants Administration
Agency Funds
Accounts Payable Payment Methods
Payments to Non-Resident Aliens
Payments to Students
Worker Classification and Payment
Invoice Processing
Procurement Authorizations
Personal Purchases Policy
Purchasing Card
Receipt and Return of Goods
Purchase Order Terms and Conditions
Tax-Exempt Purchases
1099 Tax Reporting and Withholding
Joint Venture Policy
Travel and Related Expenses

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