



**BRANDON
UNIVERSITY**

Founded 1899

Purchasing

and

Accounts Payable Manual

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BRANDON UNIVERSITY PURCHASING MANUAL

1. PURPOSE

The purpose of this manual is to assist in the acquisition of all materials, goods, and services required by the University; establish guidelines which all University departments must adhere to for these acquisitions; and to outline the role, responsibility and commitment of the Purchasing Department in assisting departments to acquire the appropriate, institutional quality goods, and services that meet immediate and long-term needs as well as disposing of surplus/obsolete materials and equipment to the best advantage of the University.

The Board of Governors approved a Policy Statement for Purchasing Goods and Services that specify these principles and guidelines on December 15, 1988. A copy of this policy can be found at <http://www2.brandonu.ca/admin/policies/Purchasing%20of%20Goods%20and%20Services.pdf>.

Purchasing retains full authority to question the quantity, quality and type of items requisitioned to ensure that the most efficient and economical use is made of University funds.

2. EXCLUSIONS FROM THE POLICY

Bookstore – resale items
Libraries – books and periodicals
Food Services – perishable foods and supplies required for direct operation of Food Services
Utilities
Licence agreements
Contracts
Service contracts
Legal and auditing services
Investments - Brandon University Board of Governors Bylaw #8

3. CODE OF ETHICS

Purchasing must employ a high standard of ethical conduct and has adopted the Purchasing Management Association of Canada's Code of Ethics. The Code of Ethics of the Association, which sets out the values and norms of ethical behaviour, rules of conduct and enforcement procedures is used as a guideline for the staff in the performance of their duties. A copy of the Code of Ethics can be found at www.pmac.ca/en/join-pmac/code-of-ethics.

Brandon University follows the practice of placing orders and awarding contracts based on five factors – service, price, delivery, quantity, and quality.

Acceptance of gifts, gratuities, or favours in any form (except for gifts of purely nominal value and social entertainment considered in keeping with established professional ethics and which do not obligate the member of the University) is prohibited.

4. PURCHASING PROCEDURES

a. Purchase Requisition

While the Purchasing Department is available for assistance in the procurement of all goods and services, those valued at less than \$1,000 may be initiated without the use of a purchase requisition.

- Ensure there is sufficient budget or grant funds available to cover the estimated cost of the goods/services.
- Complete the purchase requisition form available online at:
http://www2.brandonu.ca/Admin/Finance&Admin_main/purchasing.asp

All sections are to be completed including:

- the supplier's name, phone #, address, fax # and e-mail address;
 - a clearly-defined shipping address including phone #, how the shipment is to be sent and the date required or "Urgent".
 - the date of the order;
 - F.O.B. Point (if required as part of the purchase conditions);
 - date required (if required as part of the purchase conditions);
 - an accurate description of goods to be ordered, possible supplier, and an accurate price of the goods. The suitability of a supplier or a vendor to the University should be determined by quality, price, delivery, and payment terms;
 - include instructions to the supplier regarding the required goods or services
 - Goods and Services Tax and Manitoba Revenue Sales Tax.
 - the account number to which the purchase is to be charged is to include the four-digit department code and the three-digit expense code.
- **Signatures are required by the Department Head and the Dean/Director or a designate.**
 - Pricing guidelines for determining type of communication to use and the number of quotations to request are:
 - \$1,000 - \$5,000 Telephone (quotations noted on requisition), fax, other electronic media or written quotation (attached to requisition); minimum of two (2).
 - \$5,001 + over Written quotations; minimum of three (3) sources and all copies are to be attached to the purchase requisition.
 - The guidelines are, by necessity, quite general and will be tempered by the Purchasing Officer's judgment in the case of necessary exceptions. **When it is not possible to obtain the required quotes, when there is only a sole supplier, when a single supplier is considered to be the only reasonable alternative, or the quotes are not attached, an explanation must be provided on the requisition. Any other unusual or exceptional circumstance must be explained on the requisition.**
 - In the Dean/Director's absence, it is required that a notice be forwarded to the Director, Financial & Registration Services; the Purchasing Officer, and the Accounts Payable Clerk, naming the temporary replacement for signing authority. Notification should be sent well in advance of the Dean/Director's departure date. This will eliminate any

unnecessary delays, re: travel advances, expense reports, issuing of purchase orders, etc. This also applies if the Dean/Director wishes to designate signing authority for certain items or dollar limits to Department Heads or Assistants on an ongoing basis.

- Travel purchases, such as airfares, hotels, or rental cars, will be exempt from the usual \$1,000 limit requiring purchase requisitions, but must be made in accordance with the guidelines of the Travel and Business Expense Policy.

Travel may include charges for airfare, accommodation, car rentals and meals.

i. Purchase Requisitions for Exceptional Purposes

- Requests of the Benevolent Fund for bereavement or illness should be placed through Human Resources.
- Requests for printing may be discussed with representatives from the Print Shop to determine whether or not in-house facilities can provide the service at a competitive price.
- Print material must comply with Brandon University visual standards and needs **prior approval** of the Communications Officer. Approval must be clearly indicated on the purchase requisition.
- Requests for space renovations must be referred to Physical Plant for technical advice.
- Requests for computer hardware, printers, audio-visual equipment, etc. must be approved by Information Technology Services to ensure a proper match of intended use to equipment ordered and for compatibility.

b. The Purchase Order

When the completed Purchase Requisition is received in the Purchasing Department, it is processed into a Purchase Order.

i. Purchase Order Distribution

original	- mailed/faxed or e-mailed to supplier
copy	- to department
copy	- numerical copy
copy	- to accounting

The completed requisition is attached to the accounting copy and then filed alphabetically in the pending file awaiting receipt of the goods.

ii. Purchase Order Amendments

Changes to purchase orders must be documented by means of a properly authorized requisition. The body of the order should be clearly marked as an "AMENDMENT". Where the change affects the value of the order, funds-available approval shall be obtained prior to processing. In all cases, Purchasing will ensure that all necessary documentation is received from the department, e.g. quotations, letters, details of phone conversation, etc. In general, an amendment will be subjected to the same rules as an original order.

iii. Payment of Purchase Order

Upon receipt of the goods ordered, the department checks the order noting any back-orders, errors, or other discrepancies.

Invoices are NOT PAID until the properly authorized receiving copies or packing slips, indicating that the goods have actually been received in good condition, are received in Financial & Registration Services.

The Purchasing Department should be informed in the case of damaged goods. All cartons, etc. should be retained for inspection by the transportation company. The responsibility for damages that are caused in transit rests with the transportation company. It is necessary for the packaging of such shipments to be inspected by the carrier's Claims Adjuster so that he/she may ensure that the supplier properly packaged the shipment. The Purchasing Department is responsible for follow-up, so all packing slips, inspection reports, etc. must be forwarded to the Purchasing Department. An invoice will be prepared charging the transportation company for the damage or loss.

The supplier should be notified in the event of short shipment.

If a shipment is short-shipped, and there is no indication that the shortage was intentional, the following action should be taken:

- check off the items received on your copy of the purchase order and indicate any shortages and overages;
- advise the Purchasing Department by telephone;
- forward copies of supplier's packing slips to Purchasing;
- the department will refile the purchase order until completion of the shipment.

Return of Goods – The Purchasing Department should be informed of any goods to be returned to a supplier and the return will be coordinated through Purchasing.

Over Shipments – Shipments are sometimes found to contain more than the items ordered. The procedure to follow is the same as Return of Goods.

5. **EMERGENCY AND RUSH ORDERS**

True emergency situations have the potential to jeopardize other activities and/or resources and are very rare as relates to orders for goods or services. In these cases, Purchasing will attempt to provide fast and efficient service to rectify the situation.

In most instances, Purchasing is advised of the emergency by telephone.

All pertinent information about the item, such as description, quantity, quality, model number, etc, plus the budget code to be charged, delivery details, etc., should be entered onto a requisition blank by the department at the time of the telephone call to the Purchasing Officer. The requisition is then marked "Confirmation Only".

The requisition will then be given a purchase order number that is placed in the rectangular area in the upper right-hand corner of the requisition.

If the urgency has been established as immediate, the department will telephone the supplier and place the order. If, however, the urgency is such that "Same Day" mailing of the order will suffice, then the order should be processed on a "RUSH" basis and mailed immediately.

NOTE: It is recognized that there will be exceptions to this system. In situations where these procedures are inadequate, they should be discussed with the Purchasing Officer at the earliest possible opportunity so that a practical alternative can be arranged.

6. TENDERING

Specific tender documents for projects may be developed with the assistance of the Purchasing Department. All bids received should be submitted to the Purchasing Department in a sealed envelope. Bids received after the closing time will normally not be considered. The Purchasing Officer and one (1) other person will open and record the bids. All bids should be initialled by both persons before filing.

Unless otherwise stated, prices quoted will be kept in strictest confidence.

Any unsuccessful bidder requesting information should be informed ONLY that the bid was unsuccessful because the prices were too high, delivery date quoted was unacceptable, or item quoted was not of the required quality.

It is permissible to reveal the name of the successful bidder. The choice of supplier is the responsibility of the Purchasing Officer. While the requisitioner may decide the make, model, quantity, etc., the supplier will be chosen primarily by price, value and availability where there are alternate sources for the same article.

The Internal Trade Agreement, MASH Annex 502.4, came into effect July 1, 1999 and is a provincial government partnership to ensure fair procurement practices giving all vendors equal opportunity to competitive bids with the objectives of transparency and non-discrimination.

This annex applies to procurements within Canada where the procurement value is:

\$100,000 or greater, in the case of goods or services;
\$250,000 or greater, in the case of construction.

7. REQUEST FOR PROPOSALS

Large procurement opportunities for goods, services or projects may be considered through the process of inviting proposals from potential vendors through a bidding process. To proceed with the RFP process and preparation of RFP documents consultation with the Purchasing Office is required. The Purchasing Officer will ensure all pre-qualifications, specifications, standards, applicable deadlines, and compliance with internal policies and external legislation and regulations is included in the documentation before proceeding to the competitive market place.

8. STANDING ORDERS

Requests for standing orders should be reviewed and approved by the Purchasing Officer before issuance.

Standing orders are pre-approved purchase requisitions used to acquire repetitively, small-value items from a single supplier where it is impractical and inefficient to issue a separate order for each transaction. The item, or items to be acquired, should be identified and priced by unit where

possible and a total “not to exceed” value for the period covered by the order should be stated. Should a standing order become over-expended during the fiscal year, the Purchasing Officer will inform the User Department which will decide whether to issue another purchase requisition to cover the balance of the year.

9. SYSTEM CONTRACTING

Systems contracts may be used for purchases that are ongoing or repetitive in nature. These may include office supplies, building materials, and equipment service agreements.

The University requests that suppliers tender or quote best prices on materials to be supplied to the University and delivered directly to the department that has ordered the material. Individual items purchased will not exceed \$1,000. The supplier offering the lowest overall cost is normally the successful supplier.

10. CREDIT CARD PURCHASES

a. Brandon University Corporate Card

A University Corporate Card is available to employees with an authorized signing limit. Budget Unit Heads must approve the cardholders.

The card is to be used for University business purposes only.

The Purchasing Officer has a card with a limit of \$5,000 to be used by departments who have infrequent credit card needs and for general University use. In order for the Purchasing Officer to make a credit card purchase on the department’s behalf, the department will be required to follow the usual purchasing processes.

The usual monthly dollar limit for credit cards that are not for travel is \$1,000 unless requested to be otherwise.

The usual monthly dollar limit of credit cards that are used for travel is \$5,000 unless requested to be otherwise.

Charges made to the credit card are the responsibility of the cardholder until the Credit Card Charge Form has been forwarded to Financial & Registration Services with the appropriate documentation and authorization. Any unauthorized charges will be charged to the personal accounts receivable account of the cardholder.

Purchases

Purchases made with the Brandon University Credit Card must be made within the guidelines of the Purchasing Manual and following the usual authorizations.

The University may not be responsible for purchases over \$1,000, which have been made without a purchase order unless the purchases are for travel.

All purchases made with the Credit Card will require a hard copy invoice that clearly shows the purchase price and the taxes charged. A credit card slip alone will normally not be sufficient.

b. Billing Processes for the Corporate Credit Card

- A consolidated credit card statement, complete with individual details, is received at Accounts Payable and paid within the required payment deadlines so as not to incur any interest penalties.
- Individual cardholders receive a copy of the credit card statement with details.
- Disputes over credit card purchases and purchase errors must be submitted to the Accounts Payable within 25 days after the date that the statement is received. Any credit forthcoming will be credited to the cardholders account when the credit is received.
- The payment for each unit will be charged to expense code 750 – Credit Card Charges.

It will be the responsibility of each card holder to complete the Credit Card Charge-out Form and have it returned to Financial & Registration Services by the end of the month that the statement is received, complete with all details and hard copies of back-up documentation.

- The form will be used to reverse the charges from the Credit Card Charges code, charge them to the appropriate code and apply the GST rebate.
- Hard copy documentation, including purchase amount and GST, if applicable, will be required for credit card purchases. Without this documentation, the charges will be charged to the personal accounts receivable account of the cardholder.

11. PERSONAL PURCHASES

Purchases for personal purposes through the Purchasing Department may be allowed providing there is capacity to handle the order and the staff member PAYS FOR THE GOODS AT THE TIME OF ORDERING.

12. EQUIPMENT

Individual items with a value of more than \$1,000 including taxes, with a useful life in excess of one year, should be coded to equipment (901). These items are capitalized and amortized over their useful life.

13. YEAR END CUT-OFF

The cut off for processing purchase orders for the fiscal year is the middle of March each year in order to ensure all goods are received and invoiced to the University by the end of March.

Only orders received by March 31st of each year, for which invoices/packing slips have been received in the Purchasing Department within the posted deadlines, will be charged against the budgets of that year. Outstanding orders will be charged against the budget in the year in which they are received. Normal purchasing procedures apply in all respects to these funds.

14. DISPOSAL OF OBSOLETE OR SURPLUS FURNISHINGS AND EQUIPMENT *(including Computer Equipment)*

Disposal of University assets, regardless of value, must be processed through the Purchasing Department of Financial & Registration Services in order to:

- Ensure that the University community is made aware of the availability and possible utility of the assets in the event that a transfer might be possible.
- Ensure that prior to the disposal of electronic equipment: computers, laptops, printers, and copiers, arrangements are made with IT Services to have all confidential and sensitive information removed from the hard drives.
- In the event of sale of the assets, the Purchasing Department must:
 - Assist in determining the probable value of the assets. In the case of computer equipment, this will be done in consultation with Information Technology Services.
 - Determine the necessity of outside advertising and obtaining competitive bids for any proposed sale.
 - Determine the applicability of any taxes.
 - Ensure that the University has received or will receive adequate (monetary) value for any sale.
- Record any transfers or sales in the University's equipment records.

It should be noted that all physical assets, including furnishings and equipment, donated to or purchased by Brandon University, whether purchased from Operating Funds (including PDA), Renovations and Equipment Funds, or Research and Special Purpose Funds, are the property of the University. These assets do not belong to any individual person, department or faculty, and may be claimed or reassigned by the University, as it deems necessary.

Notwithstanding the foregoing, when assets are to be disposed of, the unit (faculty, etc.) should consider firstly its own continuing need for the asset; secondly, the needs of other University units; and, lastly, the value of the asset as a trade-in on a new piece of equipment or sale. A written release of the assets is to be provided to the Purchasing Department. Assets may only be offered for sale if no other unit on campus can make use of the item. The net proceeds from any sale of these assets will be credited to the appropriate budget unit in the form of a recovery.

The following provisions apply to all sales:

- The appropriate Budget Unit Head must approve all significant disposals.
- Disposals required as a result of emergency or hazardous situations must be coordinated through the Office of the Vice-President (Administration & Finance). Disposal of assets that include or incorporate any hazardous chemical(s) must be coordinated through the University Safety and Health Office. That office will be responsible for ensuring that applicable regulations are followed and requirements of the University Emergency Procedures Manual and legislation or regulations are followed.

BRANDON UNIVERSITY

ACCOUNTS PAYABLE MANUAL

All payments for goods and services acquired by Brandon University are processed through the Accounts Payable Office.

1. PAYMENT PROCESSES AND DEADLINES

Prior to making purchases and submitting invoices or requests for reimbursement the following is required:

- i. Ensure there is sufficient budget or grant funds available to cover the cost of the goods or services being requisitioned.
- ii. Prepare a cheque requisition or coding slip with the following information:
 - o Department code should include the 4-digit department code and the 3-digit expense code.
 - o Reference, if required, should include a brief explanation or description of the goods or services acquired.
 - o Normal signing authorities, or in their absence, a designated signing authority.
- iv. If a copy of an invoice, subscription, application or memberships order form is to be attached to the cheque an extra copy should be included with the cheque requisition.

Processing Deadlines

Requests for payment received in the Accounts Payable Office **by 4:30 p.m. Friday** of each week will be processed for Friday of the following week providing there are no special circumstances (i.e. holidays or computer problems).

Requests for payment received after that time will be processed in the following week.

A single U.S. cheque run will normally be processed approximately the 20th of each month.

2. TYPES OF PAYMENTS

a. Purchases without a Purchase Order

There is a \$1000 limit for purchases made without a purchase order; anything over this limit requires a purchase order. Invoices may be submitted with a coding slip that has been coded and appropriately authorized.

b. Cheque Requisitions

Cheque requisitions may be used where a pro forma invoice is tendered, or for renewal of magazine and periodical subscriptions. Cheque requisitions may also be used to submit invoices for payment.

c. Travel Advance

Cash advances are available to University employees and Board of Governors members, who will be (minimum normally \$250) out-of-pocket for expenses which are authorized, reimbursable, and which are related to out-of-area travel. A "Travel/Advance" form is to be completed by the claimant and approved by his/her supervisor. The Travel Advance form is available on-line.

Note, sufficient time should be allowed to permit an advance to be processed within the normal processing deadlines. Cash advances are accountable and must ultimately be supported by an expense claim. If no such claim is submitted within ninety (90) days of the cash advance or travel date, it will be considered a salary advance and must be repaid. A new advance will not normally be issued when another advance is outstanding.

d. Travel Expense Claim

Claims for travel expenses are to be made using the "Travel & Expense Claim" form that is available on-line. This form is to be completed by the claimant and approved by his/her supervisor. The claim should normally be made and the form filed either at the first opportunity following the event giving rise to the claim or at the end of that month. Undue delay in submission may invalidate the claim.

e. Freight/Customs Bills

Accounts Payable will initiate the payment of freight/customs bills. All copies of bills of lading, waybills, and courier receipts must be coded and sent to Accounts Payable upon receipt.

f. Student Refunds

Refunds will be issued for credit amounts on student accounts receivable. These will be initiated and approved by the Accounts Receivable Office the third week of each month with the exception of September and January. The Office Manager must authorize exceptional student credit payouts.

g. Payroll Requisitions

The Payroll Office will initiate and approve all requisitions for related expenses other than salaries.

h. Purchases by University Employees

University departments may be authorized to acquire material and supplies generally of a minor nature using personal funds. Reimbursement will be in accordance with the usual policies and regulations. Reimbursement of cash outlays by University employees will be made providing the following regulations are observed:

- i. Receipts must be authorized by normal signing authorities verifying the expenses incurred are for University business and may be submitted on a cheque requisition. Receipts should be submitted for reimbursement regularly and without delay.
- ii. Purchases under \$25, with the required authorization and coding, may be reimbursed in cash at Financial & Registration Services.

- iii. Purchases of materials and supplies greater than \$1000 are not allowed and must comply with purchasing processes.
- iv. If supplies of the same kind are being purchased from the same source on a repetitive basis, the department should consult the Purchasing Department to investigate the use of alternative purchasing procedures.

Miscellaneous purchases may be made using a Brandon University Corporate card (see CREDIT CARD PURCHASES). The Purchasing Department card may be used if the Dean/Director or Grantee does not have a card but would like to make a purchase on the corporate card. In order for the Purchasing Officer to make a credit card purchase on the department's behalf, the department will be required to follow the usual purchasing processes.

3. DIRECT DEPOSITS TO EMPLOYEE & VENDOR ACCOUNTS

Reimbursement amounts issued to Brandon University employees are done as a direct deposit into employee accounts at a financial institution of their choice. This will include travel advances and travel expense claims. Deposits will be made into accounts based on normal processing deadlines and an e-mail of the payment details is sent to the employee on the day of the deposit. Direct Deposit forms are available on-line.

4. NON-RESIDENT EMPLOYEES AND SERVICE PROVIDERS

Be advised when hiring non-residents to perform services in Canada for Brandon University that a required 15% withholding tax will be deducted from the amount paid to the individual.

The invoice or contract submitted for payment by the non-resident must include a Canadian social insurance number (SIN), and individual tax number (ITN) or a temporary tax number (TTN) which has been assigned to the individual by CRA. If the non-resident is a business (sole proprietor, partnership, or corporation) the invoice should include a business number.

A non-resident self-employed or corporation may want to apply for waiver or reduction of the withholding tax. To do this they must complete a Regulation 105 Waiver Application form and submit it along with the necessary supporting documentation to the nearest TSO (Tax Services Office). Applications should be received 30 days prior to the start of the applicant's services. The Regulation 105 Waiver Application form and instructions can be found at <http://www.cra-arc.gc.ca/E/pbg/tf/r105/r105-08e.pdf>.

The waiver approval letter is to be submitted with the non-resident's contract or invoice.