

# PURCHASING & CONTRACT ANNUAL REMINDERS

Last updated 5/13/10

## PROCUREMENT & LOGISTICS WEBSITE:

The Procurement & Logistics website address is:  
[http://www.bemidjistate.edu/offices/procurement\\_logistics/](http://www.bemidjistate.edu/offices/procurement_logistics/)  
From this website, you can link to purchasing and contract information.

## PURCHASING GUIDELINES APPLY TO ALL PURCHASES:

Please remember that purchasing guidelines apply to all BSU and NTC purchases, whether by purchase order or purchasing card, and regardless of the type of account (i.e. 9 ledgers, summer session profit accounts, grant accounts, etc.). Please note the purchasing dollar thresholds for quotes, bids, etc. If you have any questions, please contact our office.

## OBTAINING QUOTES FOR PURCHASES:

Please make sure that quotes either state the freight amounts or indicate Free Shipping. This will save processing time and confusion for everyone. When obtaining quotes, NEVER show vendors quotes from their competitors. This gives an unfair advantage. Quote information is not public until after the purchase is made and then it should be requested from the Procurement and Logistics Office. Payment information can be requested from Accounts Payable.

## STATE LAW REGARDING ENCUMBRANCE OF FUNDS:

Please remember that state law requires the encumbrance of funds, either by a purchase order or a purchasing card, BEFORE an order is placed or services are rendered. This includes Aramark orders at BSU and Bakers Place orders at NTC. All types of contracts must be fully signed AND funds must be encumbered by a purchase order BEFORE any work begins under the contract. Anyone who violates these encumbrance requirements will receive a memo and be required to explain why they violated Minnesota Statutes 16A.15, Subdivision 3.

## PURCHASING CARDS:

Information about the purchasing card program is available at our website above.

## FOOD PURCHASES:

Anytime you are purchasing food to feed faculty or staff, a Special Expense Request form is required to be approved PRIOR TO THE EVENT. Using State Statutes and MnSCU Board Policies, the appropriate authority will decide if the request can be approved and the event can proceed.

## MEMBERSHIPS & SUBSCRIPTIONS:

The preferred method to initiate payment for memberships and subscriptions is with a purchase order, rather than requesting reimbursement on an employee expense report. Memberships and subscriptions must be paid for in the appropriate fiscal year of their occurrence. Please do not leave memberships until the end of the fiscal year to pay, nor try to pay for them in a different fiscal year than they occur. The Purchasing Card is NOT allowed to pay memberships, but can be used for subscriptions.

## CONFERENCE OR WORKSHOP REGISTRATION FEES AND TRAVEL EXPENSES:

Conference or workshop registrations and travel expenses are NOT allowed by purchase order NOR by purchasing card. Please refer to the Business Office website for instructions on university travel procedures and reimbursement:

<http://www.bemidjistate.edu/offices/business/>

## BUSINESS CARDS, LETTERHEAD & ENVELOPES:

Ordering instructions and contract pricing information for these items are available on our website, which is accessed through our website address at the beginning of this email. Departmental/building office staff are familiar with this process.

## CONTRACT INFORMATION:

The Procurement & Logistics website contains a link to contract information, rules, procedures, and MnSCU contract forms.

Departments preparing contracts are required to use current MnSCU forms directly from the MnSCU website. Make sure you originate contracts directly from the MnSCU website so that you are sure to have a current form with all language updates as MnSCU updates language as needed.

The Professional/Technical contract is #5 on the MnSCU website. There is also a short contract for guest lecturers or presenters, #3 on the website. The Services contract is #7. All contracts require a Data Disclosure Form, which is #8 on the MnSCU contract website at: <http://www.finance.mnscu.edu/contracts-purchasing/contracts/index.html>

All contracts that are reimbursing contractor expenses should attach #10 the Expense Reimbursement Form so the contractor is aware of reimbursement rates.

## CONTRACTS WITH FOREIGN CONSULTANTS:

Contracting with foreign consultants (any non-U.S. citizen) to perform services in the United States requires a lengthy approval process through MnSCU Tax Services BEFORE a consultant contract can be entered into UNLESS THE FOREIGN CONSULTANT ALREADY HAS A U.S. TAXPAYER ID NUMBER. If no U.S. Taxpayer ID and if not approved by MnSCU Tax Services, we cannot pay a non-U.S. citizen nor reimburse expenses. If you wish to contract with a foreign consultant, please contact me a MINIMUM of 2 months in advance, and preferably 3 months. This time frame is critical to get appropriate IRS tax and visa forms completed and approved.

(Note: Simply making a PURCHASE OF MATERIALS from a foreign vendor does NOT have the same restrictions, but please allow time for a foreign vendor number to get set up if the vendor has not been used before.)

## SIGNATURE AUTHORITY:

Deans, chairs, faculty, and staff do NOT have legal authority to be the final signature on documents nor enter into contracts or agreements on behalf of BSU or NTC. Depending upon the type of contract, agreement or document, it may need signature by the Director of Procurement & Logistics, the Business Manager, a Vice President, or the President. In addition, such agreements sometimes require review by the Attorney General's Office before we can agree and sign. If you are asked to sign an agreement on behalf of the university, please send it to the Director of Procurement & Logistics for review and determination of appropriate signature authority.

**THANK YOU FOR YOUR ATTENTION TO THESE TEDIOUS BUT VERY IMPORTANT DETAILS.**