



Purchasing Policy

Department: Business Office

Policy Title: Purchasing Policy

Date Issued: 07/01/2023

Approved by: Linda Scholting, CFO

Policy/Procedures

This policy outlines the guidelines for authorization of payments for goods or services on behalf of Doane University.

Purpose

The purpose of this policy is to ensure that all purchases made on behalf of Doane University undergo authorized review and approval prior to payment.

Scope

This policy applies to all faculty, staff, & authorized students and includes all types of purchases made by the University, whether they be paid by invoice, purchase orders, petty cash, credit cards, or contracts. This policy also establishes who has the authority to approve a payment on behalf of the university.

Terms & Definitions

Invoice — Under this policy, an invoice is considered to be a list of goods purchased or services provided, with a statement of the sum due for such; a bill for services rendered to Doane University by a third party that is legally enforceable.

Purchase Order — Under this policy, a purchase order is considered to be a document issued when placing an order with a vendor indicating type of goods or services, quantity, and price; a contract drafted by the buyer when purchasing goods from the seller.

Authorized Approver — For the purpose of this policy, an authorized signatory is classified in accordance with Doane's Signature Authority Matrix as one of the following, in decreasing levels of authority:

- President of the University
- Chief Financial Officer of the University
- Vice President/Athletic Director/Chief Academic Officer/Executive Level Officer
- Dean or Director
- Manager or Coach



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*Note, these designations only apply in cases when the appropriately defined employee also has budget authority.

Colleague — The campus-wide computerized integrated information system used for administrative purposes including purchasing & accounting.

Resources — All forms & documentation related to the purchasing procedures outlined in this policy can be found on Doane's [Business Office Website](#).

New Invoice Approval Procedures¹

- A. Only authorized approvers (see matrix) may approve an invoice that authorizes payment on behalf of the University. Invoice approval processes are divided between those which are budgeted and those which are not. Please note that spending is considered to be unbudgeted if it falls outside of budgeted categories. (Example: If a department hasn't spent their postage budget & opt to pay for an external consultant with those funds that is considered unbudgeted, as the funds were not budgeted for usage on consultants.)

In order of decreasing authority, budgeted invoices are treated as follows:

- a. Invoices in excess of \$250,000 must be approved by the President of the University.
- b. Invoices in excess of \$25,000 but lower than \$250,000 must be approved by the Chief Financial Officer of the University.
- c. Invoices in excess of \$10,000 but lower than \$25,000 must be approved by the appropriate Vice President/Athletic Director/Chief Academic Officer/Executive Level Officer
- d. Invoices in excess of \$5,000 but lower than \$10,000 must be approved by the appropriate Dean or Director.
- e. Invoices less than \$5,000 must be approved by the appropriate Manager or Coach.

In order of decreasing authority, unbudgeted invoices are treated as follows:

- f. Invoices in excess of \$100,000 must be approved by the President of the University.
- g. Invoices in excess of \$10,000 but lower than \$100,000 must be approved by the Chief Financial Officer of the University.
- h. Invoices in excess of \$5,000 but lower than \$10,000 must be approved by the appropriate Vice President/Athletic Director/Chief Academic Officer/Executive Level Officer
- i. Invoices in excess of \$1,000 but lower than \$5,000 must be approved by the appropriate Dean or Director.
- j. Invoices less than \$1,000 must be approved by the appropriate Manager or Coach.

¹ Note - This policy only affects invoices which do not involve the usage of grant funds.



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General Guidelines

- Doane Employees are expected to refer to the [Approved Purchases List](#) prior to making a purchase of any kind on behalf of the University.
- Employees are expected to be prudent stewards of the University's funds.

Purchase Order Guidelines

Purchase orders are to be used in the following situations:

- Whenever the goods being purchased are to be shipped to campus and the vendor requires a purchase order to confirm that the order is being placed on behalf of Doane University.
- The purchase order number is the key used by the university and the vendor to communicate with one another as to what was ordered, shipped, received and paid for. The purchase order also provides documentation as to who ordered the merchandise, who approved the purchase, and to what department(s) the purchase should be charged.

Purchase Orders are to be completed by the department making the purchase using the following instructions:

- The vendor name and address need to be as complete so Accounts Payable is able to accurately identify the vendor and determine whether or not the vendor is already in the Colleague system.
- A completed IRS W-9 form if the vendor is not in the Colleague system. Accounts Payable can assist in determining if a vendor has a W9 associated with their records.
- Information about the order and the vendor should be entered in the section to the right of the vendor name and address. This information is helpful if Accounts Payable or Facilities Services has questions about the order.
- In the main section of the purchase order, enter the quantity, description, unit price, and extended price as indicated. Also, include any expected discounts and shipping costs.
- Purchase Orders will not be executed by the Business Office without PO number, date issuance, and proper approvals included.
- The fund, cost center, & object code(s) to which the purchase is to be charged needs to be entered where indicated at the bottom of the form
- Approvals as appropriate

Guidelines for Credit Card Purchases

Purchases made with a Doane Credit Card are governed by [Doane's Credit Card Policy](#).

Guidelines for Purchases Associated with a Contract

Purchases made with a Doane Credit Card are governed by [Doane's Contract Policy](#).



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Guidelines for Purchases Made with Personal Funds

Employees may make purchases with their personal funds which may then be submitted for reimbursement with Doane's [reimbursement form](#). This form must be completed within 30 days of the purchase or purchases in question and then submitted to Accounts Payable for payment to be processed. Submissions falling after the 30 day time period has elapsed will not be processed.

While employees may be reimbursed for purchases made with personal funds this is discouraged for several reasons:

1. Lack of prior approval for the purchase.
2. Individuals are not able to avoid paying sales tax.
3. There may be discounts available to the University that individuals do not qualify for.
4. Reimbursements, if not properly documented, could be misconstrued by the IRS as taxable income.

Purchase Restrictions

In order to ensure that Doane University is living up to its mission, values, & to ensure that the University is being a prudent steward of the funds entrusted to it, certain provisions have been put in place as to what may or may not be purchased with university funds. These guidelines can be found in the [Allowable Purchases List](#).