

MANUAL OF PROCEDURE

PROCEDURE NUMBER: 6000

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PROCEDURE TITLE: Methodology for the Procurement of Goods and Services Used by the College

STATUTORY REFERENCE: FLORIDA STATUTES 1001.65(1) AND 1010.04(2)
CHAPTER 6A-14.0262(11), STATE BOARD OF EDUCATION
RULES

BASED ON POLICY: VI-2 Bidding for Commodities and Services
III-1 College Business Affairs

EFFECTIVE DATE: August 2, 1978

LAST REVISION DATE: November 8, 2005

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I. PURPOSE

To establish the authority and provide general procedures for the procurement of goods and services used by the College.

II. PROCEDURE

A. Definitions

1. Department Requisition – on-line form used on finance system for the purpose of procuring goods and services. All items of this nature are reviewed in the Purchasing Department and converted into Purchase Orders, as deemed appropriate.
2. Disbursement Request – on-line form used on finance system to request a direct payment for goods and services when items are not ordered by the Purchasing Department via procedures established for Department Requisitions and Purchase Orders. Such payment requests are routed through assigned approval paths and are directed to the Accounts Payable Department for payment processing.
3. Electronic Document Flow and Approval – procedure where on-line forms travel on approved path designated by account. The procedure allows for multiple approval iterations via the on-line finance system.

4. MDC Purchasing Card Program – alternative method of procuring goods and services on a limited basis for use by the College. Employees authorized as cardholders may use the College-issued credit card for appropriate purchases when the vendor accepts VISA as a form of payment.
 5. Petty Cash – nominal cash amounts maintained by the Bursars Offices for the purpose of reimbursing employees for In-District mileage and emergency purchases of materials and supplies. The limit on Petty Cash Reimbursements is set at \$100.
 6. Purchase Order – the official document used by the College to request goods and services from a vendor. All purchase orders are issued by the Purchasing Department and represent an external commitment of College funds in return for goods or services, as documented on the order.
 - i. Standard Purchase Order – one of two basic purchase order types. A standard purchase order identifies specific items ordered from a supplier/vendor. Subsequent invoicing must agree with details included in the purchase order document issued by the College and the physical description of items actually received prior to the issuance of payment.
 - ii. Blanket Purchase Order – one of two basic purchase order types. A blanket purchase order identifies a category of goods or services to be procured during a specified period of time, generally a fiscal year. Purchase orders of this nature may be referred to as open accounts, and include regular blanket orders issued for items, such as office supplies; service contracts; and construction orders.
 7. Corporate Credit Card, such as American Express – for certain employees, the College may issue credit cards in the name of the employee on behalf of the College, as deemed appropriate. Payments on credit cards of this nature are the responsibility of the employee. Personal reimbursements to the employee shall be processed by the College upon receiving proof of payment. This alternate method of payment is generally limited to travel, subscriptions, and nominal transactions in connection with the procurement of repairs and/or supplies.
- B. Authority to Purchase for the College
1. Except for those instances where the authority for limited purchases has been previously designated, the responsibility and authority for procurement is vested in the Purchasing Department.
 2. No College employee is permitted to order any materials, equipment or services directly, except in those instances where authority has been delegated, , by the appropriate authority.
 3. Under no circumstances may a College employee with signature and/or approval authority within the procurement function execute official business with a member of

his or her family. The Purchasing Department must be notified of all potential conflicts or instances of nepotism, whether they be in fact or appearance. Failure to comply with this guideline may result in the termination of employment with the College. Additional guidelines and procedures related to signature requirements for contractual agreements are outlined in Procedure 6300.

4. The payment of any unauthorized purchase shall be the sole responsibility of the individual placing the order.

C. Procurement Methodology

1. Department Requisitions

Department Requisitions are initiated to request an order of goods and/or services used for official College business. Upon approval within the originating department, the Purchasing Department will review each request and issue a Purchase Order, as deemed appropriate. Specific procedures and instructions related to the preparation of Department Requisitions are outlined in Procedure 6100, “How to Prepare a Department Requisition”. Without exception, requests of this nature must be prepared and submitted to the Purchasing Department for the following transactions:

- a. Any purchase of equipment with a unit value of \$1,000 and above
- b. Any purchase from one vendor/supplier that exceeds \$1,000
- c. Any computer-related equipment, software, or any audiovisual equipment requiring the approval of Learning Resources
- d. Any item, regardless of amount, that requires the approval of Learning Resources, including the preview of software
- e. Annual service contracts for equipment; or software maintenance contracts
- f. Approved Agreements for Services (i.e. consulting and professional services) in excess of Category Two per Florida Statutes Section 287.017 (currently \$25,000). Procedures and requirements for Agreements for Services are outlined in Procedure 6300, “Contracts, Agreements, and Leases – Signature Requirements and Procedures”
- g. Any purchase in which a prepayment is required by the vendor/supplier, exclusive of travel-related items.

2. Department Requisitions, MDC Purchasing Card, or Corporate Credit Card

In addition to Department Requisitions, the following transactions may be procured through the use of the MDC Purchasing Card, or Corporate Credit Card, as authorized:

- a. Purchase of materials or supplies from one vendor, such as that of a blanket order or open account, not exceeding \$1,000
- b. Services, such as repairs, not exceeding \$1,000
- c. Minor equipment with an item cost of less than \$1,000, excluding computer-related equipment, software, or any audiovisual equipment requiring the approval of Learning Resources
- d. Rental vehicles

3. Disbursement Requests

Disbursements Requests are originated to request a direct payment to a vendor, employee, or student of the College. Such direct payments are appropriate when the Purchasing Department is not required to issue a Purchase Order to a third party, as outlined in Section II.C.1. of this Procedure. Using the on-line form, the requestor must identify and complete the following fields prior to forwarding form via the electronic approval path: vendor information; payment amount; general ledger account to be charged; purpose of payment; and invoice number or other relative information and/or references. The approved on-line form and supporting documentation shall be directed to the Accounts Payable Department for payment processing. Without exception, requests of this nature must be prepared and forwarded to the Accounts Payable Department for the following transactions:

- a. Travel Reimbursements for expenses personally incurred by employees of the College, exclusive of In-District travel reimbursements less than \$100. Specific requirements and procedures related to travel reimbursements are outlined in Procedures 3400 and 3450
- b. Personal Reimbursements in excess of \$100, but not in excess of \$500. Specific guidelines related to personal reimbursements are outlined in Procedure 3280
- c. Additional charges on a Purchase Order that has previously been closed, when those additional charges exceed \$1,000

4. Disbursement Requests, MDC Purchasing Card, or Corporate Credit Card

In addition to Disbursement Requests, the following transactions may be procured through the use of the MDC Purchasing Card, or Corporate Credit Card, as authorized:

- a. Conference registration fees, hotel charges, airline charges, and rental vehicles used during official College travel
- b. Any type of subscription, such as magazines and newsletters
- c. Approved Agreements for Services (i.e. consulting and professional services) not exceeding Category Two per Florida Statutes Section 287.017 (currently \$25,000). Procedures and requirements for Agreements for Services are outlined in Procedure 6300, “Contracts, Agreements, and Leases – Signature Requirements and Procedures”
- d. Items received on approval or preview, such as books, when items have already been received. Specific guidelines on items received on a trial basis are outlined in Procedure 6008
- e. Institutional memberships to professional organizations

5. MDC Purchasing Card Program

The Miami Dade College Purchasing Card Program provides an alternate method of procuring goods and services by allowing authorized College employees to make limited purchases without preparing Department Requisitions or Disbursement Requests. On a weekly basis, the Purchasing Department will upload individual transaction information of cardholders from the bank administering the card program to the on-line finance system for review and processing by the cardholder, or designee. The cardholder, or designee, is responsible for the timely posting of each transaction to the general ledger via the on-line finance system upon review and completion of the following fields: a description of each transaction; the transaction amount; and the appropriate general ledger account to be charged. The cardholder will generate a monthly activity statement from the on-line finance system to coincide with the credit card statement for the same period, attach original invoices and related documentation, and forward documentation for approval by the appropriate area head or supervisor. Upon approval, the monthly statement and original documentation must be forwarded to the Purchasing Department for review and filing. Specific procedures for ordering goods and services via the MDC Purchasing Card Program are outlined in Procedure 6520, “Miami Dade College Purchasing Card Program”.

Purchasing limits established for each cardholder are \$1,000 per transaction, and \$5,000 per month. When circumstances warrant, and upon approval from the


appropriate area head, transaction and/or monthly limits may be extended by the Purchasing Card Administrator. Authorized transactions under the program are limited to those outlined in Sections II.C.2. and II.C.4. of this Procedure.

6. Corporate Credit Card

The College may authorize the issuance of a corporate credit card in the name of an employee on behalf of the College, as deemed appropriate. Similarly to the MDC Purchasing Card Program, a corporate credit card provides an alternate method of procuring goods and services by allowing authorized College employees to make limited purchases without preparing Department Requisitions or Disbursement Requests. However, accrued balances on credit cards of this nature and payments against those balances are the sole responsibility of the employee. Personal reimbursements to the employee will be processed by the College upon receipt of proof of payment in accordance with the Disbursement Request procedures described in Section II.C.3. of this Procedure. Authorized transactions of corporate credit cards are subject to the same categorical restrictions that apply to the MDC Purchasing Card Program described in this Procedure.

7. Use of Personal Funds

Under extenuating circumstances, and only after written supervisory approval, employees may purchase College-related goods and/or services not exceeding \$500 using personal funds (i.e. cash, check, or credit card), and submit a request for personal reimbursement. However, the use of personal funds shall not be approved for any transaction outlined in Section II.C.1. of this Procedure. If the purchase amount does not exceed \$100, then a personal reimbursement must be requested using Petty Cash procedures established for the College and outlined in Procedure 3270. Personal reimbursements for purchases that exceed the \$100, but do not exceed the \$500 maximum, must be requested using the Disbursement Request procedures described in Section II.C.3. of this Procedure. Specific procedures and requirements for reimbursements to College employees for purchases of College-related goods and services are outlined in Procedure 3280.

	
	11/8/05
PRESIDENT	DATE