



ASSOCIATED STUDENTS INC
SF STATE UNIVERSITY

Purchasing and Personal Service Contracts Policy

Policy 308

Approved: 06/23/2004

Associated Students Purchasing and Personal Service Contracts Policy

A. Purpose

This policy and procedure is intended to set guidelines to protect Associated Students funds. The Associated Students Business Office has the authority and establishes procedures to facilitate the purchase of equipment, materials, commodities, supplies, and services. No other individual or AS Programs has the authority to commit the Associated Students to purchasing goods and services, unless that authority has been specifically given to them.

B. Amendments

This policy may be amended by a majority vote of the AS Board of Directors (BOD).

C. General Guidelines

It is the policy of the Associated Students Board of Directors to maintain purchasing procedures that are in compliance with the California State University Guidelines for Auxiliary Organizations and the University Policy Related to AS dated July 21, 1993.

The procedures outlined herein provide for three purchasing methods that may be used when making purchases payable by the Associated Students: Purchase Order, Check Requisition, and Associated Students Credit Card. Each of the methods has an appropriate form that must be used when making a purchase request.

Proper authorization by management, as indicated by the signatures required on each form, is mandatory prior to any commitment being made. Ordering, picking up, or accepting delivery of merchandise or services without proper authorization is a violation of Associated Students policy.

Purchases or services rendered not made in the prescribed manner are in direct violation of Associated Students policy. Such purchases or services are the responsibility of the individual, not Associated Students. The following actions are examples of unauthorized commitments of Associated Students funds:

1. Authorizing a Supplier to provide service or ship merchandise without prior approval through an approved purchasing method (i.e. purchase order)
2. Approval by an unauthorized person of a Purchase Order, Service Request, or Emergency Request signing by an unauthorized person of any contractual agreement naming the Associated Students, or its employees, managers, supervisor, or agents as a party to the agreement, facility rental contracts, memoranda of understandings, maintenance agreements, and order forms.

3. Picking up or accepting merchandise or services without proper approval. Only the AS Executive Director or his designee as authorized by the AS Executive Director in writing have the authority to sign Purchase Orders, Check Requests, Credit Card slips, or contracts, or otherwise commit Associated Students funds.

D. Hospitality and Credit Card Purchases

All Hospitality and Credit Card expenditures must comply with the Associated Students Hospitality Policy

E. Method of Ordering Goods and General Services

1. Purchase Order – A purchase order is created based on a Purchase Order Requisition form submitted by a Program. Purchase Order is issued for a one-time delivery for a specific good or service. When the good or service is delivered and paid in full, the order is complete and the purchase order is closed.
2. Contractual Services
 - A. Request for contracts/service orders originate from Program Director/Student Organization Officer. The development of a contract usually entails additional information supplied on the requisition. This might include but not limited to statements of prevailing wages, fair employment practices, general construction provisions, non-discrimination requirements, hooding requirements, or insurance requirements.
 - B. Personal Service Contracts are used when requesting a check for an individual contractor. An individual contractors is defined as:
 1. An individual who is not a current employee of Associated Students.
 2. Is engage in a distinct occupation, profession, business or trade but not regularly a part of Associated Students business.
 3. Agrees to a specific piece of work for agreed upon fee, and supplies own tools and materials.
 - C. Individuals may be appointed to individual contractor status only if no other appropriate classification is available. Recipients must be a legal U.S. resident and provide a social security number or the recipient must comply with the Nonresident Alien Taxation rules and regulations.
3. Check Requisition
 - A. A Check Requisition Form is to be used only when the vendor does not accept a purchase order when processing a purchase order is not cost-effective low dollar value goods (less than \$200 including tax and

shipping cost). If the Check Requisition is for a reimbursement to any individual, the Associated Students Cash Purchase Policy must be complied with.

F. Payment of Goods and Services

1. The Associated Students Business Office shall be responsible for ensuring that prior to the check being issued to the vendor or contractor that appropriate supporting documentation is attached to the purchase order or service contract. The Business Office shall verify the vendor's invoice and shipping receipt to ensure that all goods have been received and that the vendor has fulfilled the purchase agreement prior to payment or the services have been rendered. In certain circumstance when an original invoice was not received by the Associated Students Business Office, a facsimile or photocopied invoice can be accepted for payment. The Business Office shall certify in writing that the facsimile or photocopied invoice has not been paid. The Business Office shall contact the ABS to verify that the invoice is in fact has not been paid.

G. Approval and Authorizing Signatures

1. The Business Office shall be responsible for ensuring the Purchase Order, Service Contract, and Check Requisitions forms have the appropriate approval signatures.
2. Expenditures less than \$2,999 can be approved by the Associate Executive Director.

Expenditures between \$3,000 and \$4,999 will require the approval of the Executive Director and the Associated Students Vice President for Finance.

Expenditures for \$5,000 or more will require the approval of the Associated Students Presidents.

H. Self Authorization for Reimbursements

1. It is strictly prohibited for any individual to approve his/her own reimbursements for personal expenses. Reimbursements for expenditures cannot be approved by a peer or subordinate individuals.

Approved by the A.S. Board of Directors on June 23, 2004.