
SECTION 6

PURCHASING AND ACCOUNTS PAYABLE

The University does not discriminate in its purchasing practices. The University strives to obtain the best products at the lowest possible price.

A. Categories of Purchasing

The University's procurements of supplies and services are governed by Alabama Act No. 2021-296 and Alabama Act No. 2022-357, as amended, except where stated therein, and those laws should be read in conjunction with these rules and procedures. Those acts repealed laws that governed purchasing by State agencies prior to October 1, 2022. These new laws require that the University establish procurement policies, procedures and rules addressing various items.

All purchases will now fall into 3 categories determined by the amount of the purchase:

- Category A: Purchases less than \$5,000
- Category B: Purchases from \$5,000 - \$24,999
- Category C: Purchases \$25,000 and greater

Purchases of less than \$25,000 are considered Category A and B - Small Purchases and will be procured under the following rules (and for purposes of Ala. Code § 41-4-134, this Rule establishes \$25,000 as the amount for supplies and services below which small purchase procedures may be used for procurement):

Category A: Purchases less than \$5,000

- Reasonable effort should be made to ensure that the best quality items are procured at the lowest possible cost.
- When goods and services are available through an existing purchasing contract with a state agency or approved purchasing cooperative, vendors through those sources should be utilized first, if practicable.
- When possible, a quote or other documentation should accompany a Purchase Order Request to facilitate auditing of the purchase and for appropriate record keeping.
- Organization Dues and Professional Memberships will always be handled as a Category A purchase.
- Professional Services (attorneys, auditors, architects, etc.) may be handled as a Category A purchase unless it is determined by the Vice President for Financial Affairs that it would be more beneficial to the University and the public interest to utilize Category C in procuring such professional services.

Category B: Purchases from \$5,000 - \$24,999

- Written quotations shall be solicited from no fewer than two entities, and such quotations should include the date and the amount of each item quoted. These quotes shall be attached to the Request for Purchase Order.

- Awards shall be made to the business offering the lowest quotation that is acceptable to the University.
- When goods and services are available through an existing purchasing contract with a state agency or approved purchasing cooperative, vendors through those sources should be utilized first, if practicable.
- If the supply or services is available from only one business, the sole source procurement method set forth in Section D (below) shall be used even if procurement is a Category B purchase under these rules.

Category C: Purchases \$25,000 and greater

- [See Section 9 of this manual](#)

The following purchasing procedures apply to all the categories (Category A, Category B, and Category C) discussed above:

B. Purchase Requisition Procedure

The institution is responsible for the payment of purchases made only through the approved purchase procedures. The following procedures should be followed for the acquisition of all materials, supplies, equipment, repair, rent services, and other obligations of the institution of \$500 or greater. In most cases, purchases between \$100 (see sub-section I below) and \$500 should follow the normal purchase requisition process; however, there may be instances where this would not apply. Under NO circumstances should purchases be made of \$500 or greater without a purchase order.

- A standard Purchase Order requisition form (see Section C) is required on all purchase requests \$500 or greater, with the exception of certain maintenance contracts, other contractual services, utilities, and certain travel.
- Purchase order requests should be **typed** on the required form and must include all necessary information to clearly describe the purchase.
- The department making the request is responsible for verifying that the vendor they wish to purchase from is an active vendor in the University accounting system. If the vendor is not active, the requesting department should have the vendor complete an Athens State Vendor Form W-9. The completed Form W-9 should be submitted with the completed purchase order request.
- The purchase order request form should originate from and be prepared by the department wishing to make the purchase. It should contain the vendor's name and number (or completed Athens State Vendor Form W-9 attached), a listing of the items requested, giving a full description, catalogue name, part number, size, weight, estimated cost, and other pertinent information.
- The department making the request is responsible for verifying that encumbered funds are available in the appropriate budget unit.
- The purchase request must be approved and signed by the appropriate director and/or college dean, Vice President or department head.
- Purchase requests exceeding **\$20,000** must be approved by the President of the University.

- The purchase request is then submitted to the Business Office for the Business Manager or their designee to verify funds, and then an official purchase order will be issued on behalf of the University.

C. Purchase Order Process

- A purchase order **MUST** be issued **BEFORE** a purchase is made.
- A properly executed purchase order constitutes a contract which is binding to both the institution and the vendor. All purchase orders, adjustments, cancellations, and/or revisions to purchase orders must be in writing from the Business Office.
- Any modifications to the originally issued purchase order must be approved and handled through the Business Office.
- Purchase order route of less than \$20,000:
 - Requests are submitted to the Business Manager for verification of funds and budget account.
 - A purchase order is created by the Business Office with digital signature.
- Distribution of purchase orders less than \$20,000:
 - Vendor's copy. The Business Office will email a copy to the requestor. It is the requestor's responsibility to provide the vendor with the executed purchase order or purchase order number.
 - Receiving copy: The Business Office will email a copy to the University shipping and receiving department.
 - Accounts Payable copy: The original purchase order request along with a file copy of issued purchase order is sent to Accounts Payable.
- Purchase order route of greater than \$20,000:
 - Requests are submitted to the Business Manager for verification of funds and budget account.
 - Requests are forwarded to the President's office for approval.
 - Purchase order is created in the Business Office without digital signature.
 - Vice President for Financial Affairs signs purchase order.
- Distribution of purchase orders greater than \$20,000:
 - Vendor's copy. The Business Office will scan and email a copy to the requestor. It is the requestor's responsibility to provide the vendor with the executed purchase order or purchase order number.
 - Receiving copy: The Business Office will scan and email a copy to the University's shipping and receiving department.
 - Accounts Payable copy: The original purchase order request along with a file copy of issued purchase order is sent to Accounts Payable.
- Agency fund purchase orders follow the same procedures previously mentioned; however, the requestor will receive an email copy of the original request with an agency purchase order number assigned. The number begins with the letter A and is located on the bottom left hand side of the form. It is the

requestor's responsibility to provide the vendor with the executed purchase order or purchase order number.

- Purchases must not be made unless an official purchase order is issued following the above procedures. Emergency purchases are discouraged. Each area should make every effort to plan ahead and anticipate needs. Authorization to make emergency purchases should be limited to the Vice President for Financial Affairs or the Business Manager, and, in limited cases, to the University President, in order to maintain control of purchasing and the budget. **A legitimate emergency should exist before deviating from standard procedure. See Section 9 of this manual.**

D. Sole Source Vendors

Sole source procurement is not permissible unless a required supply or service is available from only a single supplier. A requirement for a particular proprietary item does not justify a sole source procurement if there is more than one potential bidder or offeror for that item. The following are examples of circumstances which could necessitate sole source procurement:

- where the compatibility of equipment, accessories, or replacement parts is the paramount consideration;
- where a sole supplier's item is needed for trial use or testing; and
- where a sole supplier's item is to be procured for resale.

The request for a procurement to be made as a sole source shall be made, in writing, to the Vice President for Financial Affairs using the established Sole Source Procurement Form.

E. Disclosure Statements and W-9 Forms

Act 2001-955 requires a disclosure statement to be completed and filed with all proposals, bids, contracts, or grant proposals to the State of Alabama in excess of \$5,000. The State of Alabama shall not enter into any contract or appropriate any public funds with any person who refuses to provide information required by this act.

Pursuant to **Act 2001-955**, any person who knowingly provides misleading or incorrect information on the disclosure statement shall be subject to a civil penalty of ten percent (10%) of the amount of the transaction, not to exceed \$10,000. Also, the contract or grant shall be voidable by the awarding entity.

Definitions as Provided in Act 2001-955:

- **Family Member of a Public Official** – The spouse, a dependent, an adult child and his or her spouse, a parent, a spouse's parent, a sibling and his/her spouse of the public official.
- **Family Relationship** – A person has a family relationship with a public official or public employee if the person is a family member of the public official or public employee.

- **Person** – An individual, firm, partnership, association, joint venture, cooperative, corporation, or any other group or combination acting in concert.
- **Public Official and Public Employee** – These terms shall have the same meaning ascribed to them in Sections 3-25-1(23) and 36-25-1(24), Code of Alabama 1975, except for the purposes of the disclosure requirements of this act, the terms shall only include person(s) in a position to influence the awarding of a grant or contract who are affiliated with the awarding entity. Notwithstanding the foregoing, these terms shall also include the Governor, Lieutenant Governor, members of the cabinet of the Governor, and members of the Legislature. Section 36-25-1(23), Code of Alabama 1975, defines a public employee as any person employed at the state, county or municipal level of government of their instrumentalities, including governmental corporations and authorities, but excluding employees of hospitals or other health care corporations including contract employees of those hospitals or other health care corporations, who are paid in whole or in part from state, county, or municipal funds. For purposes of the chapter, a public employee does not include a person employed on a part-time basis whose employment is limited to 50% of the part-time employee’s income.

Section 36-25-1(24), Code of Alabama 1975, defines a public official as any person elected to public office, whether or not that person has taken office, by the vote of the people at state, county, municipal level of government or their instrumentalities, including governmental corporations, and any person appointed to a position at the state, county, or municipal level of government or their instrumentalities, including governmental corporations. For purposes of this chapter, a public official includes the chairs and vice chairs or the equivalent offices of each state political party as defined in Section 17-16-2, Code of Alabama 1975.

F. Control and Inventory of State and School Owned Supplies and Equipment

The University maintains control over all assets through inventory management guidelines and procedures. Neither supplies nor equipment owned by Athens State University shall be used for personal gain or other purposes by an Athens State University employee or other individuals. No individual shall remove equipment from the campus without clearing such actions with the Property Manager. The Property Manager maintains an annual inventory of equipment. Any person assigned the responsibility of a piece of University equipment will be expected to deposit that equipment with the Property Manager prior to ceasing employment with the University. Detail guidelines and procedures and appropriate forms are maintained by the Property Manager.

G. Disposal of Tangible Property

In accordance with Ala. Code § 41-16-123(1)(j) and in agreement with Alabama Department of Economic and Community Affairs Surplus Property Division, the University may dispose of surplus property as needed.

The President and Vice President for Financial Affairs shall certify the description of the property and the condition of such property, shall give justification in

writing for disposal, shall estimate the value of such property, and shall keep such certification as part of the permanent record of the school.

The University uses the GovDeals online auction process to dispose of items, and may on occasion donate surplus items to local public schools or public entities. Detail guidelines and procedures and appropriate forms are maintained by the Property Manager.

H. Contracts

The President and Vice President for Financial Affairs are the only individuals approved to execute contracts on behalf of the University. The term contracts include, but are not limited to, equipment leases, contractual services, and University memberships and collaborations.

All contracts that obligate the University to expend \$250,000 or more (or are reasonably expected, when entered into, to involve such an expenditure over the term of the contract) must be approved in advance by the Board of Trustees, or by its Executive Committee, prior to being entered into by the University.

[\(University Contract Management Policy\)](#)

Any agreements or contracts not executed by the President or Vice President for Financial Affairs will be considered null and void and will not be considered an obligation of the University.

I. Petty Cash

As discussed in Section 5 of this manual, it is often necessary to make small purchases on behalf of the institution when it would be inefficient to prepare a purchase order. To meet this need, a petty cash fund has been established. Receipts must be provided to substantiate use of the cash. Petty cash funds are only for the purpose of infrequent purchases of **\$100** or less. Petty cash purchases must be approved by the appropriate Department Head and the Assistant Vice President for Financial Affairs. Reimbursement for purchases will be made only for the cost of purchase **less sales tax**. Athens State University is tax exempt and therefore cannot reimburse sales tax, with the exception of reimbursements made out of agency funds.

J. Technology Purchases

In order to eliminate the duplication of hardware/software/services and to better plan technology implementation requirements, all technology related purchases including computers, printers, projectors, network devices, software, cloud services, cloud storage, applications/services related to or used in conjunction with Banner, instructional technology resources, academic software applications, etc. must be initiated through the “Employee ITS Services Request Form” on the MyAthens portal. An ITS or ATLAS representative will contact the requester to discuss the details of the request further.