

USM Purchasing Guidelines (PO vs. P-card)

When preparing to make a purchase remember it is your duty to spend the university's funds responsibly by following purchasing laws, university policies and by obtaining competitive pricing and value. What would you do if you were buying the item with your own money? Purchases from external vendors using university funds can be made with two different purchasing processes: procurement card (p-card) or purchase order (PO).

- When preparing to make a purchase, first determine which process is appropriate:
 1. Can I use a p-card? Is the purchase allowable? Will the vendor accept credit card payments?
 2. If you cannot use a p-card, then you must submit a purchase requisition to Procurement. Procurement will issue a PO, which must be obtained BEFORE making the purchase.
- How Do I Make a Purchase?
 - P-card – can be used wherever VISA is accepted, after ensuring the purchase will be tax exempt.
 - Purchase Order – A purchase requisition must be approved by the Signature Authority prior to purchasing.
 - GCRL employees with SOARFIN requisition access must submit requests in SOARFIN.
 - GCRL employees without SOARFIN requisition access must submit requests through the GCRL In-Touch purchase requisition system.

****You can contact GCRL Procurement (gcr-procurement@usm.edu) with any purchasing questions.****

Procurement Cards (P-cards)

P-cards are highly encouraged for almost all small dollar purchases and CAN be used for the following:

- Office supplies (items on the [mandatory state contract](#) must be purchased from the state contract vendor)
- Subscriptions to scholarly journals and publications
- Memberships in professional organizations that promote advancement of the university's mission
- Instructional supplies (e.g., books, music, classroom materials)
- Laboratory and classroom supplies
- Software (excluding multi-user licenses)
- Services (e.g., equipment repair, uniform mending)

Procurement cards CANNOT be used for the following:

- Purchases totaling more than \$5,000 (NO splitting to avoid the transaction limit)
- Equipment or inventory items
- Fuel
- Printing or novelty items with custom logos
- Back ordered items (items must be readily available at the time of order)
- Travel related expenses, including conference registration fees - the only exception is vehicle rental through the state contract agency (please see [Travel website](#) for more information)

****Please use the [Procurement Card Policies and Procedures](#) and [Manual](#) for full details on p-cards.****

Requisitions and Purchase Orders

If a p-card cannot be used, then a purchase order must be obtained before making the purchase. The purchase order process begins with a requisition. A requisition is simply an authorized request for the purchase of goods or services. This request is submitted to Procurement to be processed into a purchase order. A purchase order is the official university document that represents an obligation to the vendor for the purchase of the specific goods or services detailed in the purchase order. A purchase order must be obtained before the purchase is made.

Quote and Bid Requirements

- \$5,000.00 and under: No quote required.
- \$5,000.01 to \$50,000.00: Two formal, written quotes are required.
- \$50,000.01 and over: The formal bid process is required. Purchases of commodities and/or equipment totaling \$50,000.01 or more must be sent out for bid. Bids are advertised for two consecutive weeks and a bid opening is scheduled for no less than 7 working days after the last advertisement. In general, one-time services, such as equipment repair, do not require two quotes or bids. This only applies when we are strictly paying only for a service and no goods are exchanged (e.g., labor only contracts). However, Procurement reserves the right to require the bid process for services performed over a period or for high dollar amounts. Some specific services, such as waste management and technology related services, are not exempt from the quote and bid requirements. If there are questions about requirements for a particular service, please contact Procurement. Other than services, the only exceptions to the quote and bid requirements are state contract purchases.

State Contract Purchases

State contracts are competitively bid or negotiated at the state level with the goal of taking maximum advantage of the state's buying power. If a commodity is on a competitive bid state contract, that commodity must be purchased from the contract vendor unless we have received prior approval from the state Office of Purchasing, Travel and Fleet Management (OPTFM). Purchases of state contract items totaling less than \$100 can be purchased from a non-contract vendor without prior approval. If a commodity is on a negotiated state contract, the commodity may be purchased from any of the contract vendors. Negotiated state contract items may also be purchased from non-contract vendors provided all purchasing laws and procedures are followed and the price paid does not exceed the negotiated contract price. Purchases of state contract items that total over \$5,000.00 are exempt from the quote and bid requirements if no single item has a net cost of over \$25,000.00. A list of state contracts can be found on the [OPTFM website](#).

Guidance for Invoices

- For POs: All invoices require approval from the Signature Authority confirming the items and/or services have been received before submitting to Accounts Payable for payment. The PO must also be released in SoarFin before it can be paid.
- For P-cards: Upload receipts to transactions in SOARFIN and maintain copies with Monthly Signature Report.