# Purchasing 101 and Requisition Training Manual

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**What is Procurement & Contract Services?**

Procurement & Contract Services provides service and support of the procurement needs of the educational, research and administrative mission of the university while adhering to state and federal statutes and university policy. We manage the procurement process from the purchase request through the receiving of goods, processing of vendor payments and cataloging of inventory. In addition to the procurement process, we also manage university travel and contracted services (i.e. university contracts for Eagle Dining and Barnes and Noble).

- We handle the purchasing of goods and services by faculty and staff of the University of Southern Mississippi.
- We process requisitions submitted by faculty and staff.
- We create and send the purchase orders to the vendors.
- We receive the invoices from vendors.
- We pay the vendors for good and services rendered.

**Who do I contact if I have questions?**

Go to https://www.usm.edu/procurement-contract-services/staff-directory-0.php for up to date contact information. The main Department of Procurement and Contract Services phone number is 601-266-4131.

**Useful Websites**

Department of Procurement and Contract Services: https://www.usm.edu/procurement-contract-services/

Office of the Controller: https://www.usm.edu/controller/index.php

## Purchasing

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 three different purchasing processes: procurement card, purchase order or remittance voucher.

When preparing to make a purchase, first determine which process is appropriate:
1. Can I use a procurement card? Is the purchase allowable and will vendor accept it?
2. If cannot use the procurement card, then a purchase order must be obtained BEFORE making the purchase.
3. Remittance vouchers should be used only when other payment methods are not more appropriate. Please contact Accounts Payable or visit the Accounts Payable website for more information about remittance vouchers.

## Definitions

- Quote: a document from the vendor that specifies the pricing for specific goods or services.
- Requisition: a request from faculty or staff for the purchase of goods or services.
- Purchase Order (PO): the official approved order from the Department of Procurement & Contract Services for the purchase of goods or services.
- Invoice: a document from the vendor specifying the prices for the goods and services that have been received.
- Payment: the payment by the Accounts Payable for goods and services after they have been received.

## How Do I Make a Purchase?

- Procurement Card – can be used wherever VISA is accepted.
- Requisition/Purchase Order – must be approved by the Department of Procurement and Contract Services ***before*** purchasing.
- Remittance Voucher – only used for a few select purchases.

## Procurement Cards

Procurement cards (pcards) have replaced purchase orders for almost all small dollar purchases. They provide a more rapid turnaround on small dollar purchases. Pcards also reduce the number of forms, invoices and checks to be processed, so the cost and processing time of each purchase is greatly reduced.

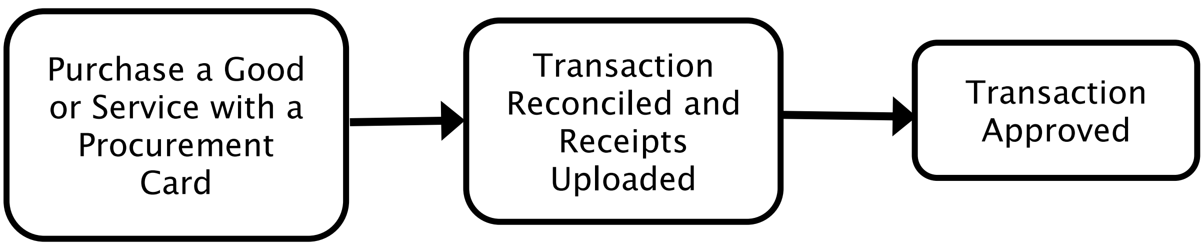
Procurement cards can be used for the following:
- Office supplies (items on the mandatory state contract must be purchased from the state contract vendor)
- Subscriptions to scholarly journals and publications
- Memberships in professional organizations that promote advancement of the university's mission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

Procurement cards CANNOT be used for the following:

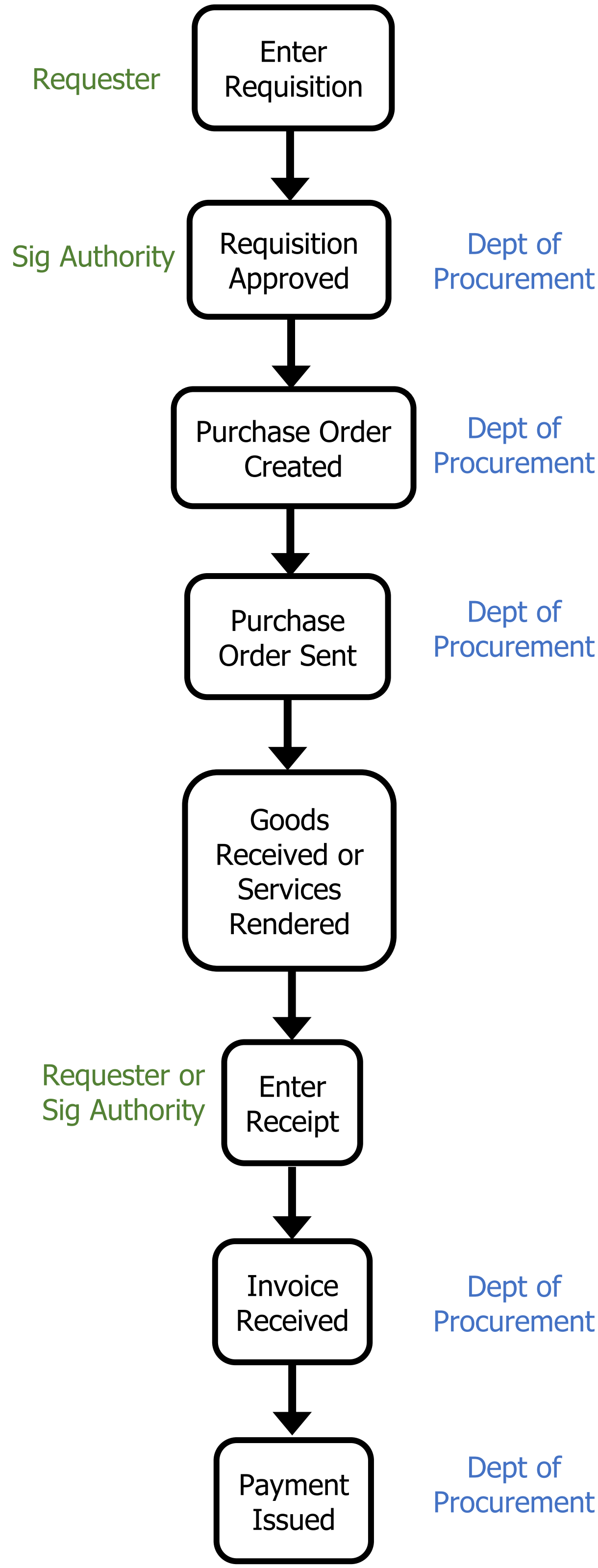
- Purchases totaling more than $5,000 (NO splitting to avoid the transaction limit)
- Equipment or inventory items (see listing on next page)
- Fuel
- Printing or novelty items with custom logos
- Back ordered items (items must be readily available at the time of order)
- Travel related expenses, including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

Please see the Procurement Card Policies and Procedures Manual for more information on pcards.

**Procurement Card Process**



**Purchase Order Process**



## Equipment Items – Tagging and Inventorying

All donated and purchased equipment is property of The University of Southern Mississippi.

Equipment that must be tagged and inventoried:

- Equipment with a cost of $1,000 or more
- Equipment with of cost $250 or more
    - Cameras and camera equipment
    - Televisions
    - Printers and multi-purpose machines
- Regardless of cost
    - Weapons
    - Two-way radio equipment
    - Lawn maintenance equipment
    - Cellular telephones
    - Major computer components:
    - Hard drives
    - CPUs
    - Chain saws
    - Air compressors
    - Welding machines
    - Generators
    - Motorized vehicles

## Requisitions and Purchase Orders

If a procurement 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 & Contract Services 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. Requisitions submitted after the purchase has been made will require VP approval.

## Quote and Bid Requirements

- $5,000.00 and under: one quote is required.
- $5,000.01 to $75,000.00: two formal, written quotes are required.
- $75,000.01 and over: the formal bid process is required.

Purchases of commodities and/or equipment totaling between $5,000.01 and $75,000.00 require two written quotes. These quotes must be submitted to the Department of Procurement and Contract Services when the requisition is entered in SOARFIN.

Purchases of commodities and/or equipment totaling $75,000.01 or more must be sent out for bid. Bids are advertised for at least 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 (for example, labor only contracts). However, Procurement & Contract Services reserves the right to require the bid process for services performed over a period of time 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 & Contract Services.

Other than services, the only exceptions to the quote and bid requirements are state contract purchases and state approved sole source 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 as long as no single item has a net cost of over $25,000.00.

A list of state contracts can be found on the OPTFM website. A link to the OPTFM state contract site is provided on the Procurement & Contract Services website.

**Sole Source Purchases**

Purchases of commodities and equipment totaling over $5,000.00 when only one vendor can provide the needed items can be processed as a sole source purchase. These purchases require approval from OPTFM. In order to submit a sole source request, the department must compose a justification memo explaining why the product is unique and only available from a single vendor. The memo must answer the following questions:

- Is this item available from other distributors? **Important!**
- Do other companies make similar commodities that will do the same job or meet the same goals?
- How is this item unique from all others?
- What can this item do that the others can't?
- Is there a copyright or patent on the commodity?

If the item is used for research, consider the additional questions:
- What does the item do?
- How will this purchase or failure to make this purchase have an impact on the research?

The potential vendor is required to register with the state before the request can be submitted. Please contact Procurement & Contract Services for instructions for the vendor registration process or if you have any questions about making a sole source purchase.

**Tax Exemption**

The university is exempt from paying sales tax in the State of Mississippi and has been waived from paying sales tax in several other states. Sales Tax Exemption certificates are located on the Office of the Controller's website under Tax Compliance. If you have any questions about tax exemption, please contact the Tax Compliance Officer at 601.266.4102.

## Standing Orders

Standing orders are zero dollar purchase orders that can be used to make multiple similar purchases throughout the fiscal year. For example, Fuelman services or the rental and refills of cylinders for scientific gases. Most repetitive, small dollar purchases can now be made on the procurement card, so standing orders should be reserved for vendors who do not accept Visa payments and/or purchases such as fuel that require a purchase order.

Standing orders can only be issued for one fiscal year at a time. All standing orders will be canceled on June 30 each year and will have to be renewed for the next fiscal year. Procurement & Contract Services will notify the campus community each spring when it is time to begin requisition entry for renewing standing orders for the next fiscal year.

## Computer Purchases

iTech has standardized computer purchases for the campus. Requisitions are no longer required to make computer purchases. Standard computers/laptops are required to be purchased directly from iTech. The purchase will be processed similar to an Interdepartmental Invoice. If you require a computer different from the standard configuration, you can submit a quote and an explanation for the variation from the standard configuration to computer.orders@usm.edu.

Please visit the iTech website for more information on departmental computer purchases.

## Contract Signature Authority

A budget signature authority is ***not*** equivalent to a contract signature authority.

Typically, it is the Department of Procurement & Contract Services' role to execute both purchase orders and contracts. Only senior administrators who have been formally and explicitly delegated "Contract Signature Authority" by the university President may sign contracts on behalf of the university. Proposed contracts should be forwarded to Procurement & Contract Services in conjunction with a requisition.

## Soarfin Chartfields

Chartfield is a PeopleSoft SOARFIN term used to define the data elements that will constitute the university's chart of accounts. The combination of the Fund, Department, Program, and Project/Grant (if applicable) chartfields comprise the budget string. The account chartfield is also required for transactions to classify the expenditure, so the minimum requirements for every transaction are Account-Fund-Department-Program and Project/Grant (if applicable).

Sample budget string:

Fund 10H10
Department 130001
Program 06000

For a listing of the chartfields, visit this page on the Office of Controller's website: https://www.usm.edu/controller/chart-accounts.php.

### Requisitions & Purchase Orders

- The requisition is only a formal request.
- The requisition must be approved by a signature authority and the Department of Procurement and Contract Services.
- The purchase order must be obtained before the purchase is made.

### Getting Started with Requisitions

To enter requisitions, faculty and staff must attend a training session to gain access to SOARFIN. Training sessions are offered once a month and are available for registration through the Procurement website form. Administrators and faculty who do not enter requisitions but need access to approve requisitions can gain access by watching online tutorials instead of attending a requisition entry class.

The approver tutorial can be found at the LEC website - www.usm.edu/lec/training/soardocs/soarfindocs.php.

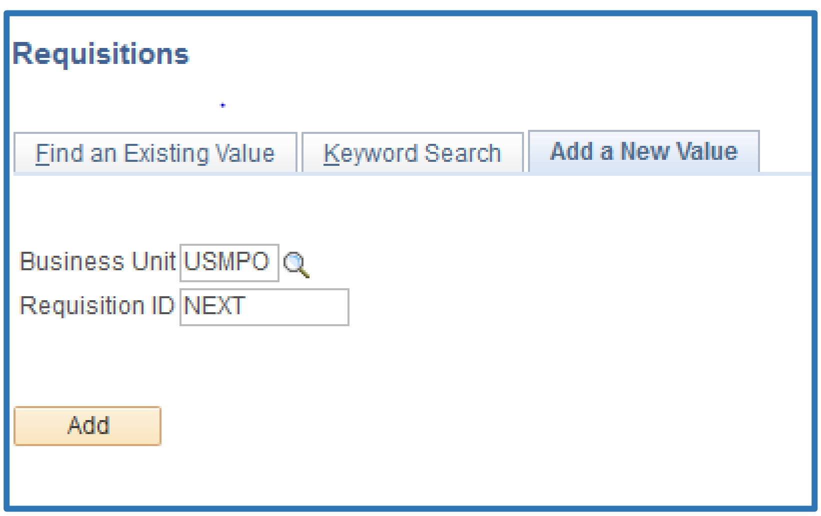
Because requisitions and approval are entered online, it is not necessary to send a paper copy of the requisition to Procurement & Contract Services. The only instance where a paper copy of the requisition would be required is if two or more signature authorities are required to approve the requisition.

### Logging into SOARFIN

1. Go to soarfin.usm.edu in your web browser.
2. Type in *User ID*. It will be your emplid with the “W”.
3. Type in your *Password*.
4. Click *Sign In*.

### Instructions for Creating a Requisition

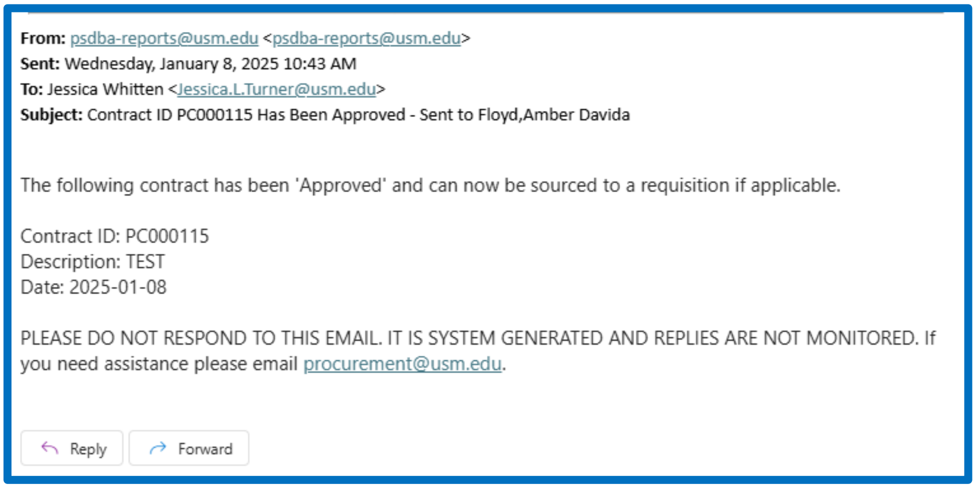
1. Go to *Nav Bar (Compass Icon) > Navigator > Purchasing > Requisitions > Add/Update Requisitions*.




2. On the Add a New Value tab, enter the proper Business Unit.
3. Click the  button to see a list of choices. Click on the one you want to use.
4. Leave *Requisition ID* as “NEXT”.
5. Click the 

button.

Note: If you have a Contract associated with the purchase, you must add the Contract ID at this point. Contract ID will be emailed to the department contact once the contract has been reviewed and signed.



**From:** psdba-reports@usm.edu <psdba-reports@usm.edu>
**Sent:** Wednesday, January 8, 2025 10:43 AM
**To:** Jessica Whitten <Jessica.L.Turner@usm.edu>
**Subject:** Contract ID PC000115 Has Been Approved - Sent to Floyd,Amber Davida

The following contract has been 'Approved' and can now be sourced to a requisition if applicable.

Contract ID: PC000115
Description: TEST
Date: 2025-01-08

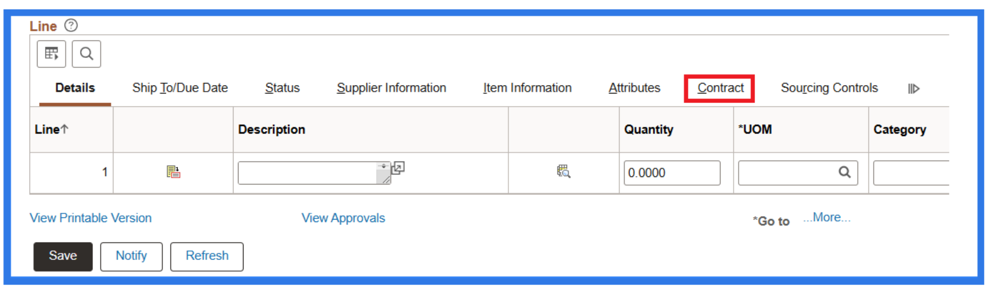
PLEASE DO NOT RESPOND TO THIS EMAIL. IT IS SYSTEM GENERATED AND REPLIES ARE NOT MONITORED. If you need assistance please email procurement@usm.edu.

Reply Forward

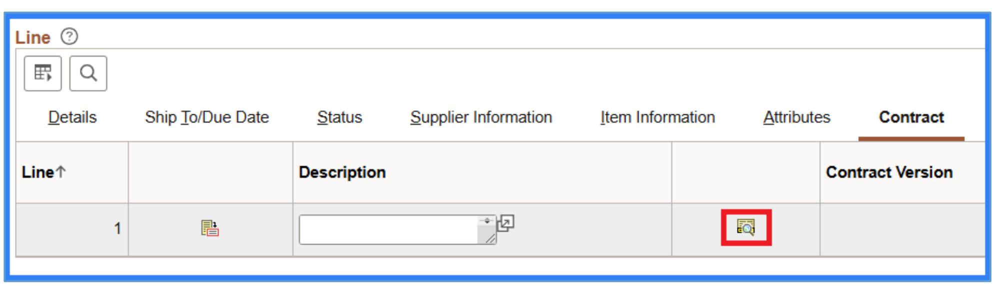
Note: Once contract information is entered (steps below) information will auto-populate from the contract, so once you verify all the information is correct, you can skip to step 39 to complete the requisition.

Note: If no Contract is involved, skip to step 11 to enter requisition information.

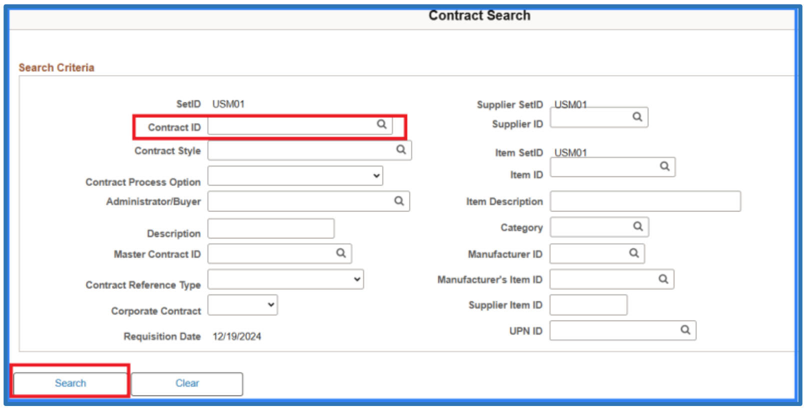
6. On the main requisition page, Click Contract



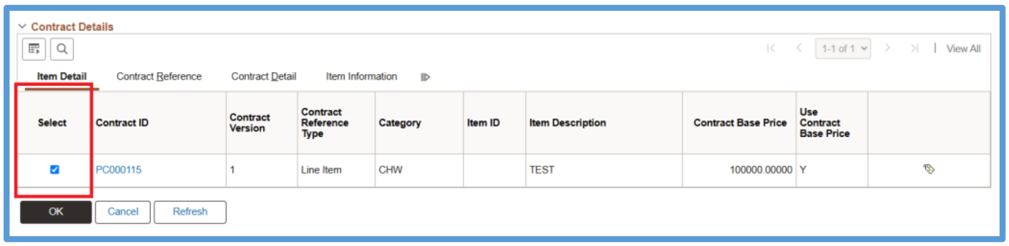

7. Click on the Contract Search button



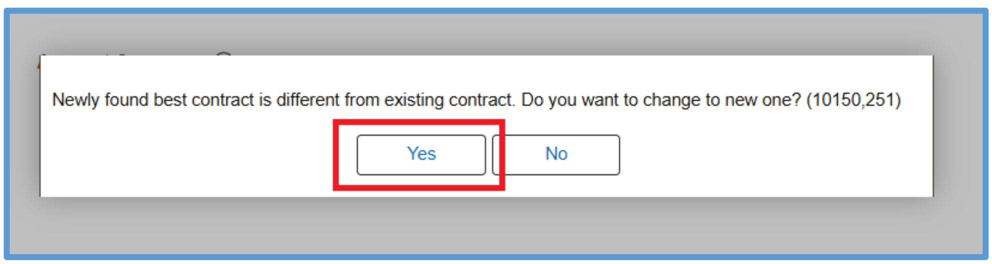
8. Enter in the Contract ID. If ID is not known, contact Procurement. Click Search.



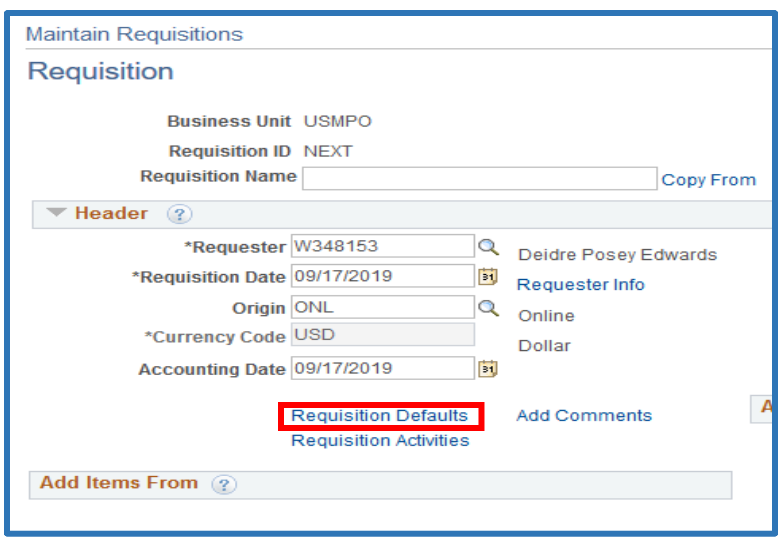

9. Select the contract.



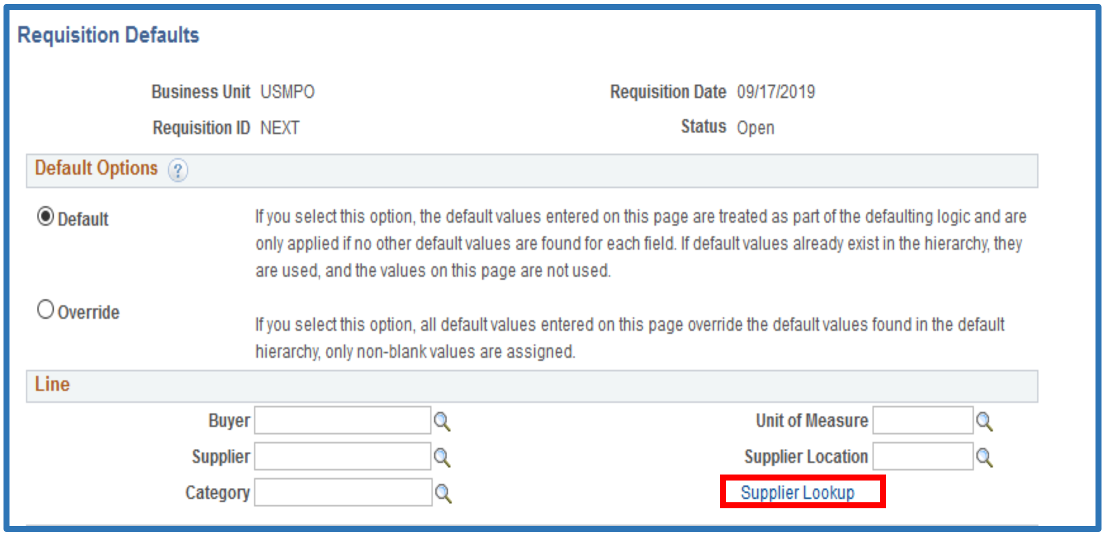

10. Click OK to return to the main requisition page. If there is a popup regarding New Contract, click Yes. If you receive another error, contact Procurement.




11. Click *Requisition Defaults*.

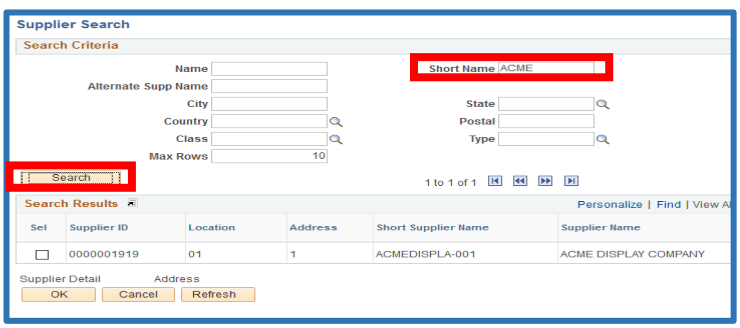


12. Click *Supplier Lookup*. Note: Don't click the next to Supplier. It will take a long time to load.

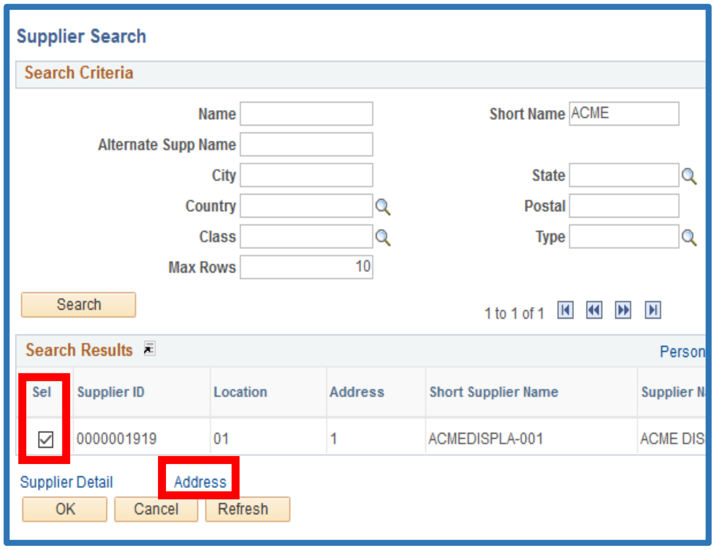



13. Enter *ShortName* of the vendor. If the vendor you need is not listed, then contact the Department of Procurement. You cannot enter a requisition if the vendor is not in the system.

14. Click the *Search* button.



15. Click and put a checkmark in the Sel box next to the vendor you want to use. Click Address.




16. Verify the address.
    a. If the address is correct, then click the OK button to return to the vendor search screen.
    b. If the address is incorrect, select another vendor and verify the address until you find the vendor with the correct address. If you cannot find one with the correct address, then contact the Department of Procurement.

17. Back on the Vendor Search screen click the OK button to return to the Requisition Defaults page.

18. *Ship To* defaults to 900. Change it if it going to different campus location.

19. Enter the *Account* directly or click the  button to see the choices.

20. Enter the *Fund*.

21. Enter the *Sch/Disc/DeptID*.

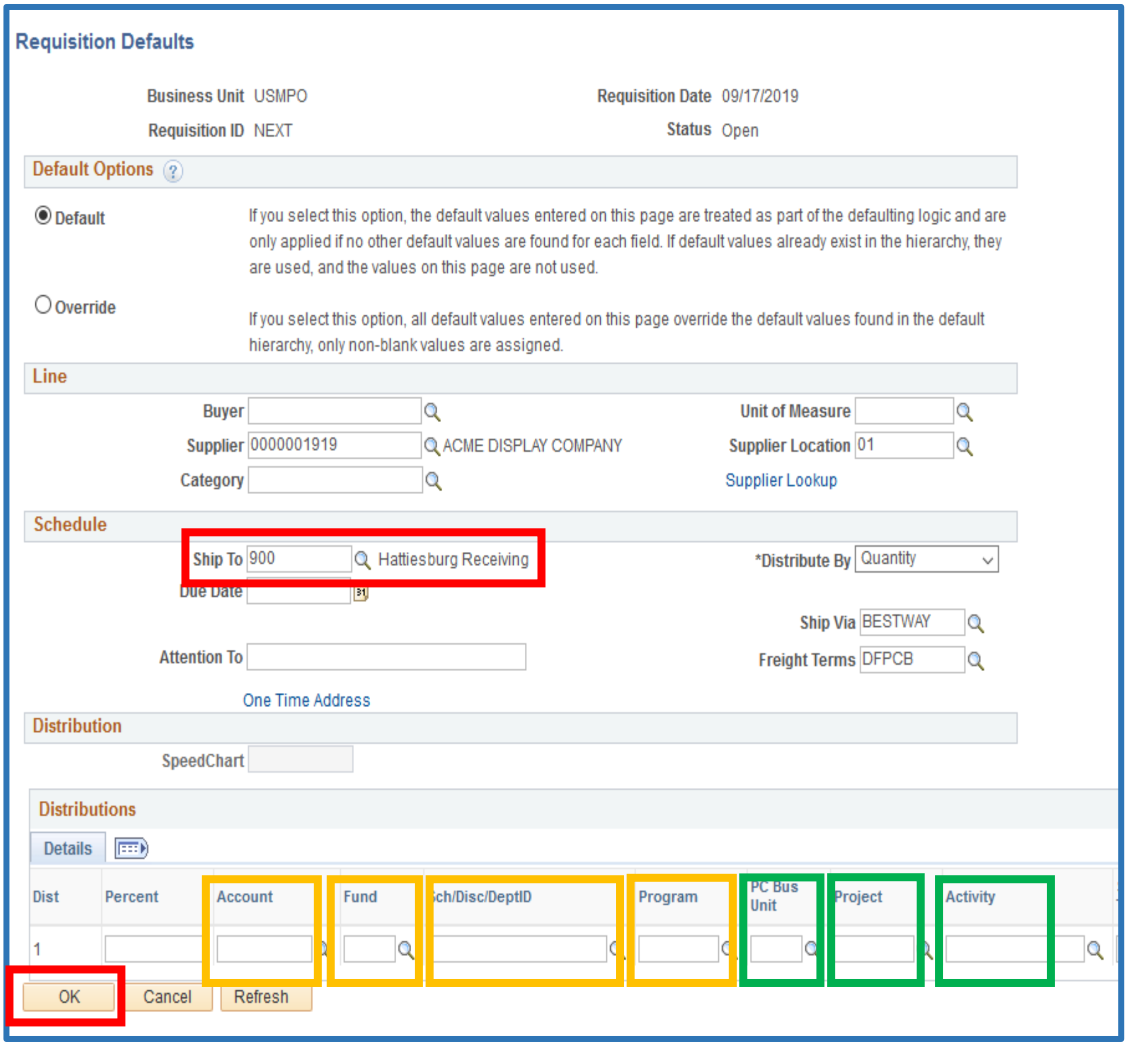
22. Enter the *Program*.

23. For PC Bus Unit:
    c. If it not a Grant, WP, DE, then leave blank.
    d. If it is a Grant, then enter USM01.
    e. If it is a WP or DE, then enter USMPC.

24. Enter the *Project*, only if it is a grant or project (GR, WP, DE).

25. Enter 00000 (five zeroes) for *Activity*, only if it is grant or project (GR, WP, DE).

26. Click OK to return to the main requisition page.




27. Enter the *Description* of the first item on Line 1.

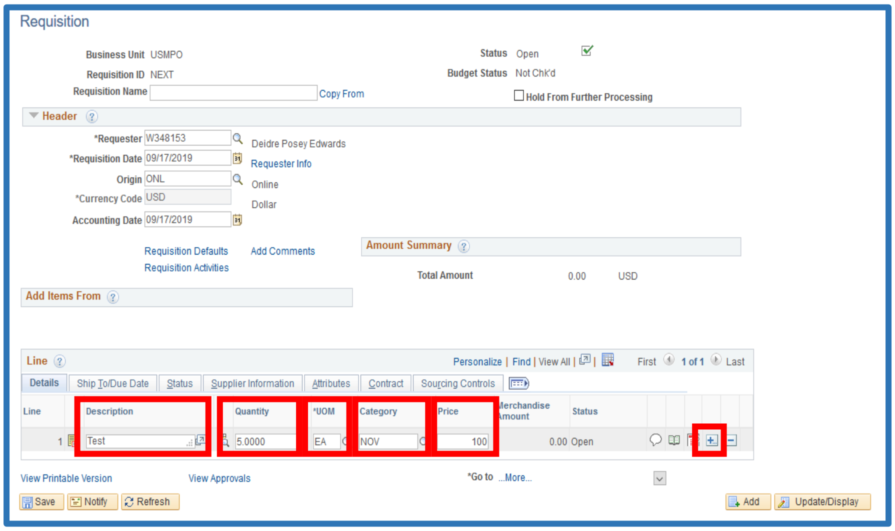
28. Enter the *Quantity*.

29. Enter the *UOM*. Click the button to see the choices.

30. For *Category*, click on the button and select the appropriate category.

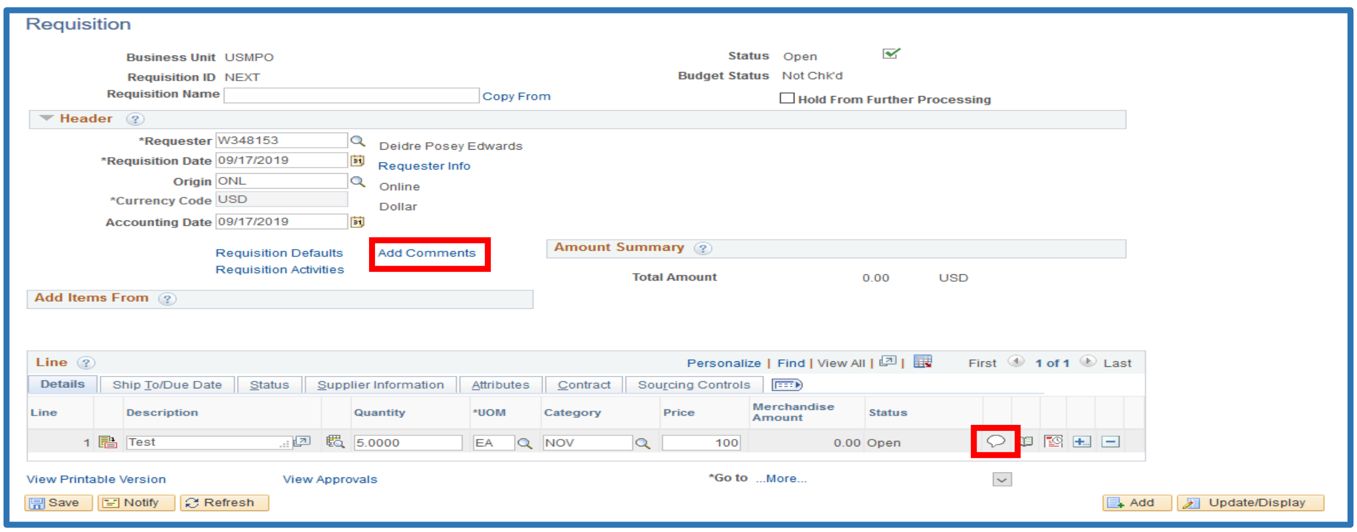
31. Enter the *Price*.

32. If you need additional lines (items), click the button on the far right of the row.

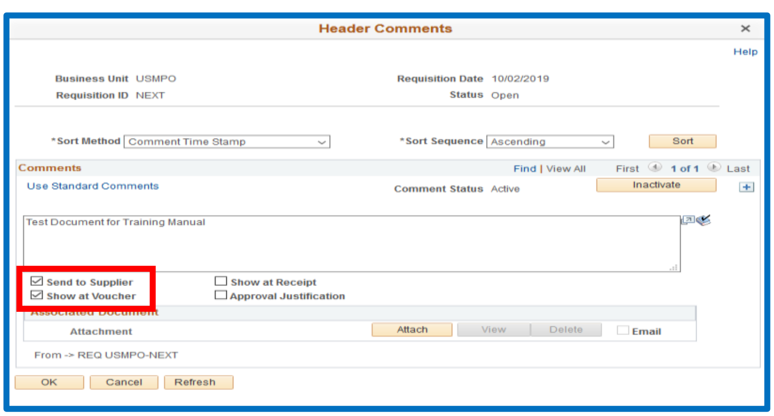



33. Click *Add Comments* to enter any information about the request (quote/invoice number, confirmation of goods received/services rendered, email address to send Purchase Order, etc.)

34. If you want to add a comment for a specific line, then click the  icon on the appropriate line.



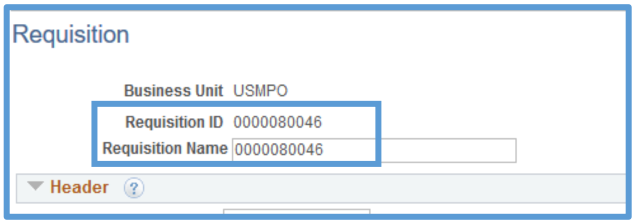

35. Enter desired comments. Check the *Send to Supplier* and *Show at Voucher* buttons.



36. Click **OK** to return to the main requisition page.

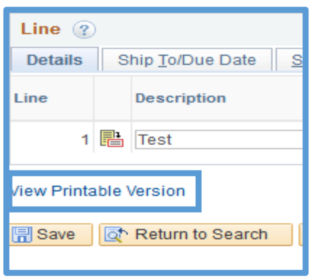
37. You have now completed the input portion of the requisition process.

38. Click **Save** and record your Requisition ID number.

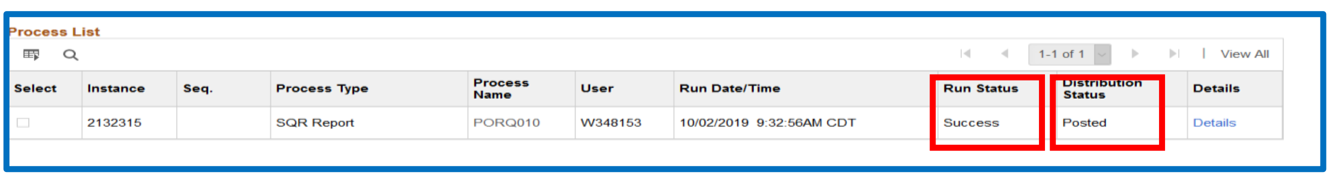



39. If you want to print a copy of the requisition, this is the point where you will need to do so. If not, skip to Step 47.

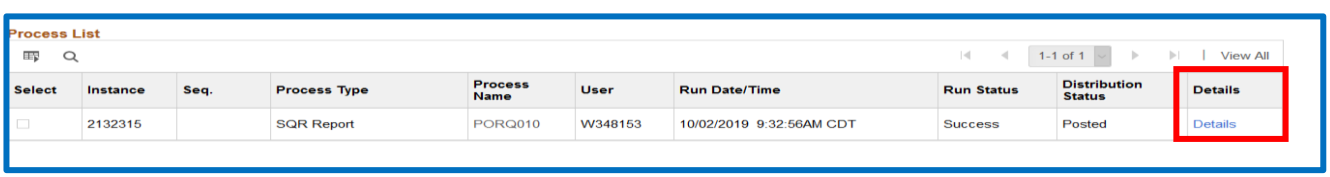
40. To print the requisition, click *View Printable Version*. This will bring up a new screen (you will need to allow popups for these steps)



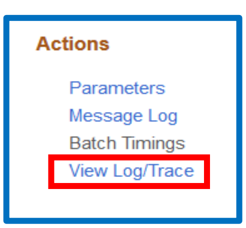

41. On the new Process Monitor screen, you will need to click **Refresh** until Run Status says Success and Distribution Status says Posted



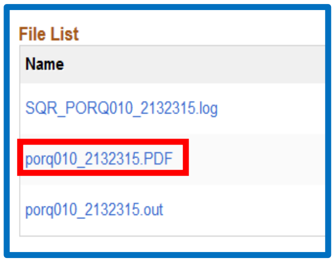

42. Click on the *Details* link.




43. Click *View Log/Trace* on the window that pops up



44. Click the PDF option on the View Log/Trace screen. This will bring up a PDF version of your requisition that you can now print or save for your records. (pop-ups must be enabled)




45. Once you have saved your requisition and recorded the requisition number, the requisition must be budget checked. Click beside Budget Status. This will check the validity of the budget string being used.
    f. If you receive an error, double check the budget string being used and correct if needed.
    g. You may have to refresh the screen a few times if the budget check does not run the first time. Do not click the button to run the check a second time!

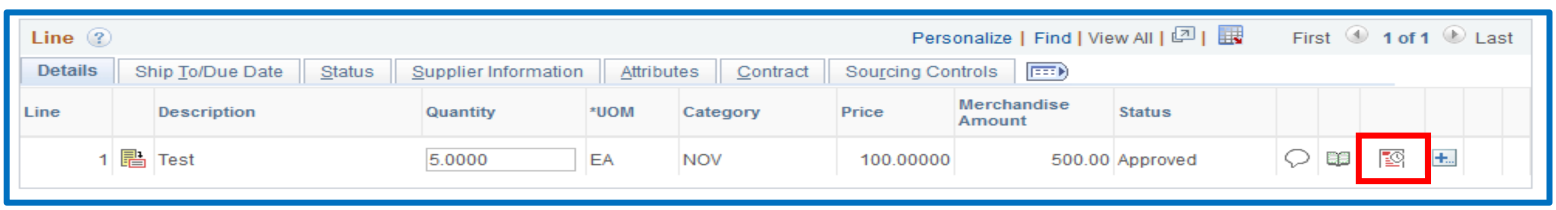
46. One budget status is Valid, click the green check mark to change the Status to Pending. Click yes if asked do you wish to save.

47. Your requisition has now been created. Next the requisition will be automatically sent to signature authorities for the budget strings used. After a signature authority approves it, then it will be automatically sent to a buyer to approve and turn into a purchase order.

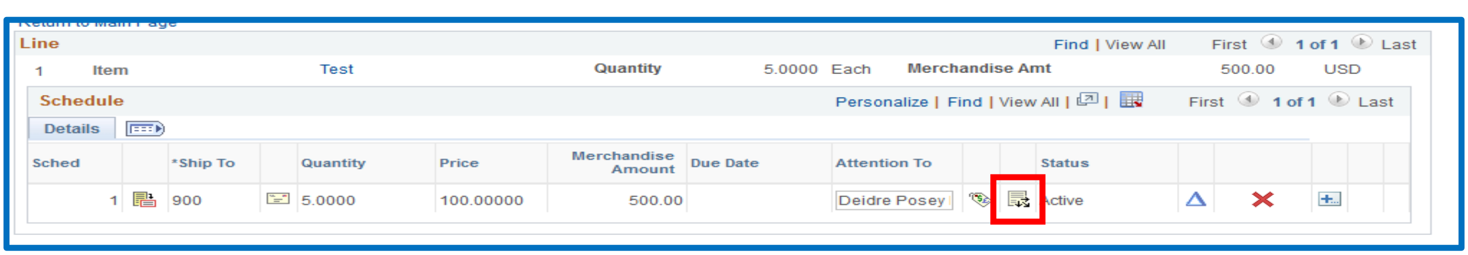
**How to Split a Distribution on a Requisition AKA How to Have a Line Paid by Two Different Budget Strings**

Sometimes a product or service will be paid for by two different budget strings. Here are the steps to split a distribution on a requisition.

1. Follow the standard steps for entering a requisition, but after you have entered the details for a line, click the schedule button.




2. Click the Distribution button.




3. Click the add row button until you have the desired amount of rows.

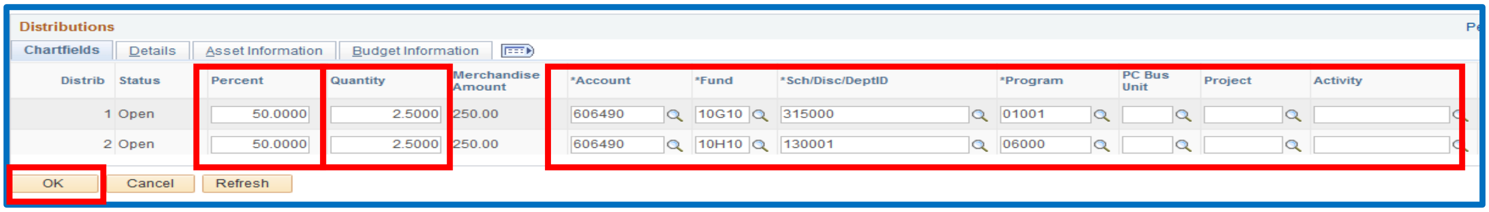
4. Change the Percent on the Distrib 1 row to whatever is appropriate. 50 is used for this example.

5. It will automatically change your Quantity
.
6. Check that the budget string on Distrib 1 row is correct.

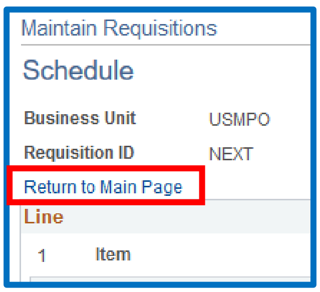
7. On Distrib 2 row, type in 50 for the *Percent*.

8. Change the Account, Fund, Dept, Program, PC Bus Unit, and Activity as appropriate.

9. Click OK.




10. Click the *Return to Main Page* lin




11. Go to Step 29 in the standard requisition instructions above to complete your requisition.

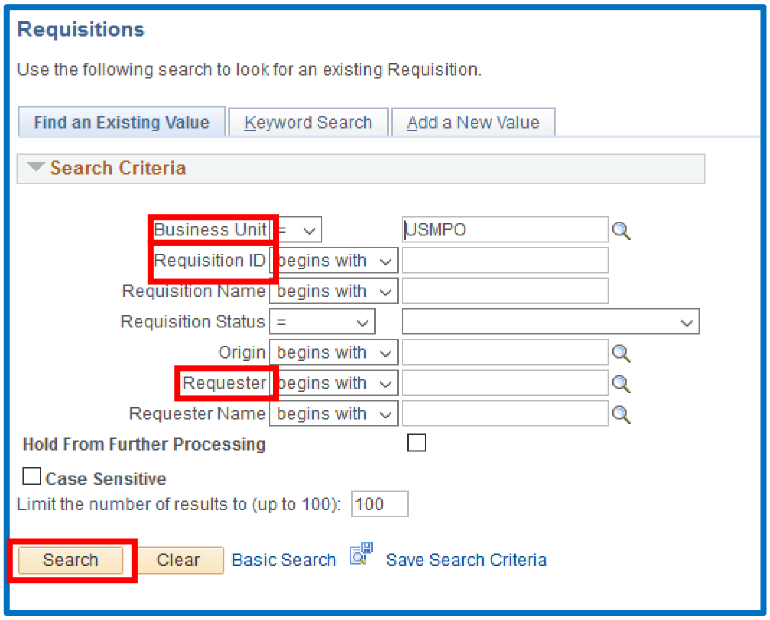
**How to Print a Purchase Order**

1. If you know the purchase order number already, then skip to Step 8. If you don't know your purchase order number, then complete the following steps.

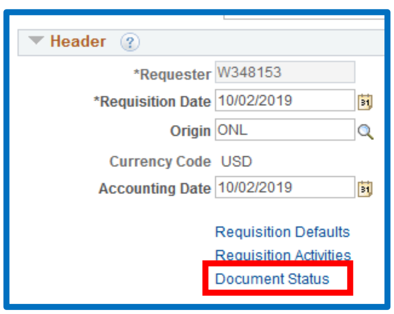
2. Go to *Navigator > Purchasing > Requisitions > Add/Update Requisitions.*

3. Under the *Find an Existing Value* tab, enter your *Business Unit*.

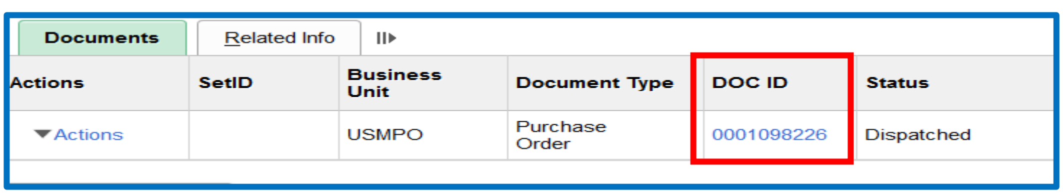
4. Enter your *Requisition ID*. Click *Search*. If you don't know your *Requisition ID*, then enter your emplid for *Requester* and click *Search*. Then select your requisition.




5. Click on *Document Status*. (If you searched by requester, you will need to choose the desired requisition before moving forward with this step.)



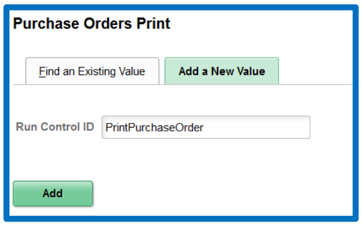

6. Copy or note your Purchase Order ID (DOC ID). Don't click on the number.




| Actions | SetID | Business Unit | Document Type | DOC ID | Status |
|---|---|---|---|---|---|
| Actions | | USMPO | Purchase Order | 0001098226 | Dispatched |

7. Click on *Navigator > Purchasing > Purchase Orders > Review PO Information > Print POs*.

8. If it the first time you are printing a purchase order then follow the instructions in Step 8, if not skip to step 9.
   a. Click on the *Add a New Value* tab.
   b. Enter "PrintPurchaseOrder" without the quotes for *Run Control ID.*
   *c.* Click *Add.* You may now proceed to Step 10.

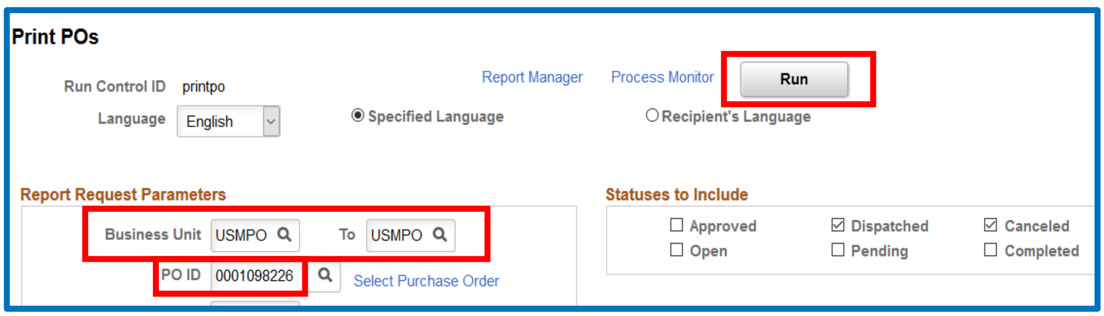



9. If you have printed a purchase order before click the *Find an Existing Value* tab and and click *Search*. (Choose the run control you established the first time you printed a PO.)

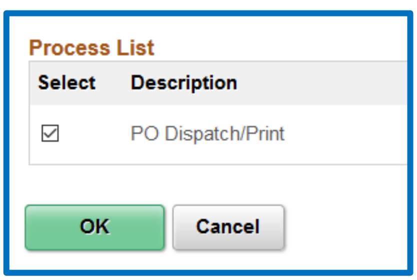
10. Enter your *Business Unit*. The same Business Unit will go in both blanks.

11. Enter your *PO ID*.

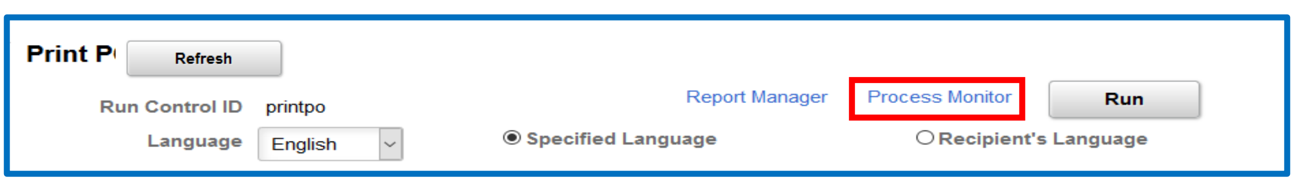
12. Click *Run*.



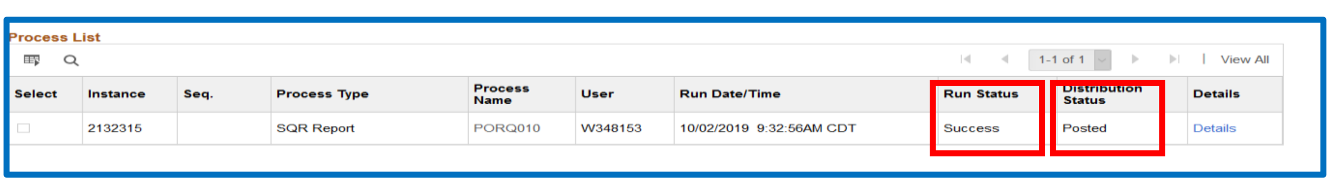

13. Make sure PO Dispatch/Print is checked and Click *OK*.



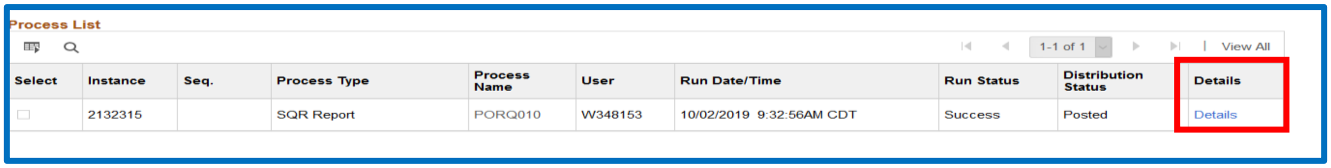

14. Click *Process Monitor*.




15. Click until you see Run Status of Success and Distribution Status of Posted



16. Click on *Details.*

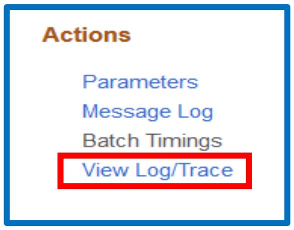


Process List

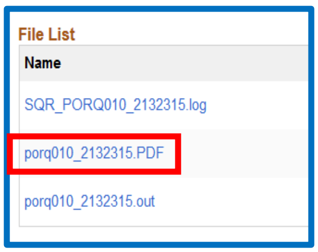
1-1 of 1 | View All

| Select | Instance | Seq. | Process Type | Process Name | User | Run Date/Time | Run Status | Distribution Status | Details |
|---|---|---|---|---|---|---|---|---|---|
| | 2132315 | | SQR Report | PORQ010 | W348153 | 10/02/2019 9:32:56AM CDT | Success | Posted | Details |

17. Click *View Log/Trace.*




18. Click the PDF option on the View Log/Trace screen. This will bring up a PDF version of your PO that you can now print or save for your records. (pop-ups must be enabled)




**Releasing a PO for Payment**

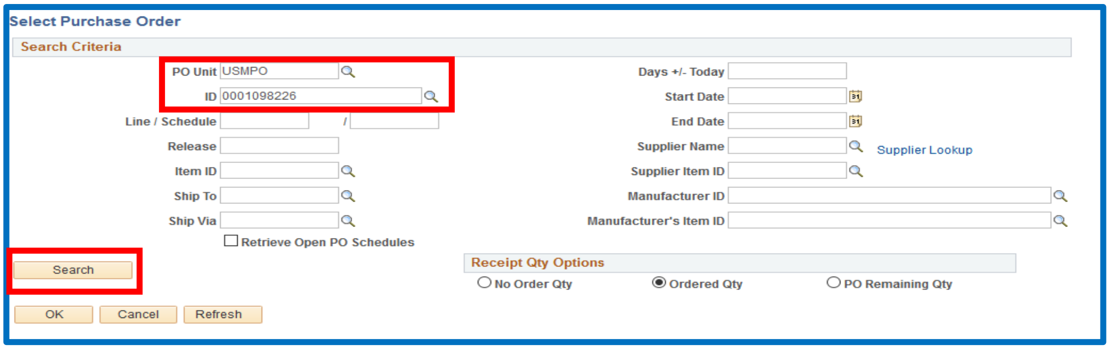
After the requisition is created, Procurement & Contract Services will create a purchase order and will send the PO to the vendor unless other instructions are noted on the requisition. After the goods have been received or services rendered, the department is required to enter a receipt in SOARFIN. This receipt lets Accounts Payable know that the items have been received or the services are complete and the invoice is approved for payment. The invoice cannot be paid until a receipt is entered in the system. The only exception to this rule would be for payments sent with the order, for example dues and subscriptions.

All invoices should be made out to The University of Southern Mississippi and be mailed directly to Accounts Payable by the vendor. If the department receives an invoice, it should be forwarded to Accounts Payable at box 5104. Please make sure the PO number is noted on the invoice before forwarding it to Accounts Payable.

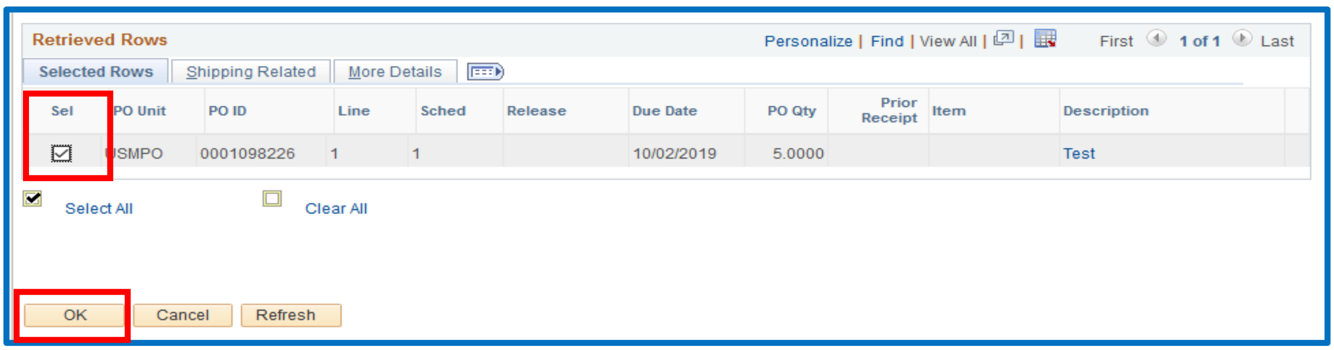
1. From the Home screen select *Navigator > Purchasing > Receipts > Add/Update Receipts*

2. Make sure the correct business unit is entered and click *Add.*

3. Enter the correct PO Unit/Business Unit and the PO number in the field ID. Do not enter anything else as it will hinder results. Click *Search.*




4. Check the boxes of the purchase order you want to receive or click Select All to view all lines of the purchase order. Click Ok.




5. Verify the quantities received are correct and click *Save*. The receipt ID will then populate at the top of the document and Receipt Status will be *Fully Received*.