



METROPOLITAN
STATE UNIVERSITY
OF DENVER

Purchasing Manual

(Updated 04/01/24)

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This manual is intended to assist you in determining which procurement method to use when buying goods and services for Metropolitan State University of Denver (MSU Denver) and what the basic rules and regulations guiding the purchasing process are. All purchases must be made in accordance with the regulations established by the State of Colorado, as well as all Federal and University rules to ensure accountability to the public and fairness to the suppliers.

PROCUREMENT CODE OF ETHICS

Any person employed by the State of Colorado who purchases goods and services or is involved in the purchasing process for the State, shall be bound by this code and shall:

1. Avoid the intent and appearance of unethical or compromising practice in relationships, actions, and communications.
2. Demonstrate loyalty to the State of Colorado by diligently following the lawful instructions of the State of Colorado while using professional judgment, reasonable care, and exercising only the authority granted.
3. Conduct all purchasing activities in accordance with the laws, while remaining alert to, and advising the State of Colorado regarding the legal ramifications of the purchasing decisions.
4. Refrain from any private or professional activity that would create a conflict between personal interests and the interest of the State of Colorado (C.R.S., 18-8-308).
5. Identify and strive to eliminate participation of an individual in operational situations where a conflict of interest may be involved.
6. Never solicit or accept money, loans, credits, or prejudicial discounts, and avoid the acceptance of gifts, entertainment, favors, or services from present or potential suppliers which might influence, or appear to influence purchasing decisions.
7. Promote positive supplier relationships through impartiality in all phases of the purchasing cycle.
8. Display the highest ideals of honor and integrity in all public and personal relationships in order to merit the respect and inspire the confidence of the State of Colorado and the public being served.
9. Provide an environment where all business concerns, large or small, majority or minority owned, are afforded an equal opportunity to compete for State of Colorado business.
10. Enhance the proficiency and stature of the purchasing profession by adhering to the highest standards of ethical behavior.

BASICS

ALL ACCOUNTS PAYABLE / PURCHASING DOCUMENTS AVAILABLE AT:
<https://msudenver.sharepoint.com/sites/OTC/SitePages/Office-of-the-Controller-Forms.aspx>

GLOSSARY OF TERMS

AHEC PROCUREMENT SERVICES DEPARTMENT: Per Colorado Revised Statute 23-70-101, et seq., the Auraria Higher Education Center holds the statutory authority to purchase on behalf of MSU Denver. All purchases \$10,000.01 or more for goods or services must go through the AHEC Procurement Services Department. Purchases under \$10,000.01 have been delegated to MSU Denver to purchase directly.

AURARIA HIGHER EDUCATION CENTER (AHEC): AHEC is a separate entity whose role is to provide and manage shared services, facilities, and property to support the three prominent institutions in achieving their goals.

COMMITMENT VOUCHERS: You may not purchase an item from a supplier without providing a commitment voucher ***BEFORE*** making the purchase. A commitment voucher tells the supplier that the University is committed to purchasing the goods and/or services indicated on the form and that we are obliged, by law, to pay for it. It also commits the supplier to provide the goods or services for the stated amount of money and according to certain terms and conditions. Commitment Vouchers include:

- Supplier Payment Agreement
- Purchase Orders (PO)
- Contracts

CORPORATE CARD: A University MasterCard credit card that may be used for University purchases, including goods, services, travel, and event planning. A Procurement Card may be used to purchase any non-travel related items, but a Travel Card is needed for all travel-related purchases. The Procurement card may be used when ordering items by phone, over the internet, or in person, not to exceed the cardholder's transaction limit. Departments may set per transaction limits up to \$10,000 for specific cardholders. All transactions must be made in accordance with University fiscal and procurement rules. NOTE: The Corporate Card is a method of payment, not a method of procurement. All the Procurement Rules apply to purchases using the Corporate Card.

ENCUMBRANCE: An amount reserved on the University's financial system to reflect a formal obligation of the University. Purchase Orders, Contracts, Leases, and Work Orders are "encumbrance documents".

FISCAL YEAR: A 12-month budget period. MSU Denver's fiscal year runs from July 1st to June 30th.

HONORARIUM: An Honorarium is a voluntary, nominal payment, determined by the payer, primarily intended to show gratitude or recognition to an individual who provides services for which payment is not required nor expected. Because there is no contractual obligation for such payment, the payer has no legal obligation to the receiver. If the payment is prescribed by the individual or if it is negotiated, or if there is any legal obligation for the University to pay the amount, an honorarium situation does not exist, but rather a fee for service, in which case the normal Procurement and Fiscal Rules apply.

- Because honoraria are sometimes difficult to determine, and because they are considered taxable income, you should always contact the University's Compliance Officer at acctsvcs@msudenver.edu before submitting any Honorarium Form.

INDEPENDENT CONTRACTOR: A person or entity that contracts to do work for the University according to the contractor's own processes and methods. The contractor is not subject to the University's control except for what is specified in a mutually binding agreement for a specific job.

OFFICIAL FUNCTION: A meeting, conference, meal, or other function involving food or beverages that is hosted by the chief executive officer, or representative, of the University, attended by guests, students and/or University employees, and held for official University business purposes. Official Functions *while on travel status* should only occur on very rare occasions. If the event/function/meal includes only MSU Denver staff, it is not allowed. A valid business purpose must be provided that explains the benefit to the university for this function.

PAYMENT REQUEST: Payment requests are used in a limited capacity to authorize payment for purchases not requiring a commitment voucher.

PERSONAL LIABILITY: Per Colorado Revised Statute 24-109-404, any employee who violates the purchasing rules may be subject by law to personal liability for the purchase amount. The University's CFO and Controller have sole authority to approve or deny payments by the State for such "illegal purchases."

PERSONAL SERVICES: Personal services include any work done by a person that is not simply incidental to the purchase of goods. Examples include performances, personal services contracts, and lectures by visiting speakers.

REQUISITION: A form used in Workday to request authorization to purchase goods or services. A Requisition is **NOT** a procurement commitment voucher until it becomes a Purchase Order. A Requisition is submitted in Workday, via the task: Create Requisition. A Purchase Order (PO) is issued and the purchase is made by AHEC Procurement when a Requisition is approved. This is required for purchases exceeding \$10,000 and optional for \$10,000 or less.

PURCHASE ORDER (PO): The official procurement document used to purchase goods or services over \$10,000, unless a long-form contract is used. The PO contains terms and conditions, most of which are required by statute or University Fiscal Rules, and is signed by AHEC Procurement Services.

SOLE SOURCE PROCUREMENT: A procurement made without competition when competition would otherwise be required. A sole source procurement is justified when there is only one brand or supplier of goods or services that can reasonably meet the need.

SOLICITATION: A Solicitation is the method used to find and select a supplier or contractor for a specific purchase of goods or services, using predetermined selection criteria and posted through a public forum to reach the largest and most diverse pool of qualified respondents. It includes all procurement method documents and related information, whether attached or incorporated by reference, published by the University in connection with a procurement prior to the response deadline. The most common types of solicitations used by the University include Documented Quotes (DQ) and Requests for Proposal (RFP).

STATE and UNIVERSITY AWARDS: In many cases, the State of Colorado has negotiated contracts with suppliers to provide certain goods or services for all state agencies. In addition, the University works with other higher education institutions in cooperative solicitations. These contracts often provide better pricing and availability. Please check the State Award list and the University's awarded supplier list prior to purchase. The lists are updated periodically as awards change. The University's list can be found at

<https://msudenver.sharepoint.com/sites/OTC/SitePages/Purchasing.aspx>

and the State list is available at

<https://www.bidscolorado.com/co/portal.nsf/xpPriceAgreementsByCategory.xsp>.

- There are two types of Awards: Mandatory and Permissive.
- If a mandatory award is in place, the only way to purchase the goods or services from a different supplier is to receive a waiver from AHEC Procurement Services, for purchases requiring a PO, or the Office of the Controller, for purchases under \$10,000, *before* making the purchase. If a waiver is not granted, the purchase may not be made from a different supplier. Any violation of this policy may subject the employee to personal liability for the purchase.
- Permissive awards allow you to purchase from other suppliers; however, the State or University has usually negotiated the best prices from the awarded suppliers and recommends using them, when appropriate.
- Use of an awarded supplier allows you to make purchases without having to go through the competitive solicitation process, which saves a great deal of time and effort for everyone.
- Mandatory Awards have been granted for furniture, office supplies, promotional items, and networked copiers/printers/multi-function printers. Others may be added at any time, so always check the Mandatory Award list on the Controller's website before purchasing.

STIPEND: The term "Stipend" is variable, and stipends might be paid through AP, Payroll, or Financial Aid, so they *must* be vetted by the Office of the Controller prior to any agreement for a stipend payment, to identify the proper payment method and to maintain compliance with the IRS. Generally, a stipend, unlike a salary or hourly wage, is a predetermined or fixed amount of money that the University pays to people – often interns, graduate assistants, public servants, or trainees – to perform a certain task.

SUPPLIER AGREEMENTS: Frequently, suppliers will ask a customer to sign some kind of agreement related to purchasing terms, credit references, and/or license agreements. ***YOU MAY NOT SIGN ANYTHING FROM A SUPPLIER UNLESS THE MSU DENVER CONTRACTS AND BUSINESS SERVICES OFFICE HAS REVIEWED IT AND APPROVED YOUR SIGNING IT.*** In lieu of signing, attach an unsigned copy of the agreement to a purchase requisition for clarification of what is being purchased. All supplier agreements must be reviewed by the Contracts and Business Services Office PRIOR to any purchase being made. If a supplier insists that their paperwork be signed, forward the discussion to the Contracts and Business Services Office.

SUPPLIER PAYMENT AGREEMENT: An agreement between the supplier and the University, which includes the University's Terms and Conditions and an agreed upon payment amount. Prior to providing services, the supplier signs the agreement and states whether they are or are not a PERA contributor. There is a \$10,000 limit for this agreement.

TAX EXEMPT STATUS: Metropolitan State University of Denver is a tax-exempt institution. Please inform suppliers of our tax-exempt status and ask the supplier to honor our Tax-Exempt Certificate before placing your order.

- There may be times when the University is not Tax Exempt. For more information on Taxable purchases, please see the Tax Corner at:
[https://msudenver.sharepoint.com/sites/OTC/SitePages/Tax-and-Compliance\(1\).aspx](https://msudenver.sharepoint.com/sites/OTC/SitePages/Tax-and-Compliance(1).aspx)
- A copy of the Tax Exempt Certificate is available at:
[https://msudenver.sharepoint.com/sites/OTC/SitePages/Tax-and-Compliance\(1\).aspx](https://msudenver.sharepoint.com/sites/OTC/SitePages/Tax-and-Compliance(1).aspx)
- Note that sales tax will not be reimbursed to employees for out-of-pocket expenses.

THIRD-PARTY PAYMENT PROCESSOR: A third-party payment processor is a provider that allows a business to accept payments without opening its own merchant account, a bank account needed for holding money earned from card payments. Examples include PayPal, Square, VENMO, etc. Payment processors pose greater fraud risk if they do not have an effective means of verifying their merchant clients' identities and business practices. They can also pose a greater risk if they do not provide supplier details or tracking information for payments. For this reason, the University only allows such payment methods for specific Processors. See the section on [Payment Processing Methods](#) for more information.

TRAINING FUNCTION: A meeting, conference, or other function that is hosted by the University, attended by customers of the University and/or University employees, and held to enhance staff knowledge or to educate customers of the University, that are affected by the University's operations or regulations. Training functions should have a written agenda, study materials, and be led by an identified presenter. If food or beverages are being provided, the Official Function rules also apply.

TRAVEL: Please see the University's Travel Guide for additional travel-related procurement rules and guidelines. [https://msudenver.sharepoint.com/sites/OTC/SitePages/Travel\(1\).aspx](https://msudenver.sharepoint.com/sites/OTC/SitePages/Travel(1).aspx)

WORKTAG AUTHORIZATION: Individual MSU Denver departments designate who is authorized to approve purchases for their department.

- Worktag Managers are authorized to approve the purchase of goods and/or services for the department, as long as the goods and/or services are within the department's budget and follow purchasing procedures.
- *Under no circumstances is anyone allowed to authorize his/her own paperwork, including reimbursements, travel requests, petty cash, etc.*
- The Office of the Controller is authorized to deny approval authority to someone, if it feels the University's welfare may be compromised by granting it.

I NEED TO BUY SOMETHING – NOW WHAT?

QUESTION 1: WHAT IS BEING PURCHASED?

All purchases must be for legitimate business purposes, for the benefit of MSU Denver, and follow MSU Denver's standards for allowable purchases. If you have any question about whether a purchase is allowable, contact the Accounts Payable office at 303-615-0039 for clarification. Your business purpose should be clearly stated when you submit your transactions or payment requests. Your business purpose should state how the University benefits from your purchase.

I. PERSONAL SERVICES:

Personal services, including Non-employee Personal Services, are defined as any work done by a person that is not simply incidental to the purchase of goods (CRS 24-50-501 through 514). "Incidental" services would include such things as delivery, standard assembly, etc. All purchases of personal services must be reviewed to correctly classify workers as either independent contractors or employees. Non-specific, recurring services are usually not considered to be a contractor relationship and should be sent through the payroll process. If the supplier is determined to be an employee, the department will be notified and appropriate direction given for proceeding. *Employees of MSU Denver may NOT be hired as an independent contractor in any manner in addition to their employment at MSU Denver.*

- Personal services purchases of \$10,000.00 or less will be reviewed by Human Resources and Payroll in Workday when the payment is processed.
- Personal services exceeding \$10,000.00 require a Requisition submission, with a State Certification of Personal Services (CPS) Form, and there must be a Purchase Order (PO) in place before services are secured. These services will be reviewed by the Office of the Controller and Human Resources.

All other purchasing rules apply for personal services, including the use of State or University awards whenever possible and posting the request for solicitation through AHEC Procurement Services when necessary.

II. GOODS:

The first step in purchasing goods, as with all purchases, is to check the State and University award lists. If the goods are awarded to a supplier on the list, you must use that supplier. If for some reason you believe you should buy the goods from a different supplier, you must receive a waiver from AHEC Procurement Services for purchases that require a PO. Such waivers are

handled by AHEC Procurement Services in conjunction with the University Controller. For purchases under \$10,000, such waivers are handled directly by the University Controller. *Needing something right away is almost never an acceptable reason for not using an awarded supplier. The only exception is the case of an emergency, such as a fire or flood.*

If a supplier has been issued a permissive award, rather than mandatory, you may use another supplier, but you must document precisely why the awarded supplier(s) could not satisfactorily provide the goods or services. One major benefit of using an awarded supplier is that prices and terms have been negotiated by the State. Therefore, purchases do not require competitive solicitation or posting on the solicitation site, significantly speeding up the process. **Furniture, office supplies, copiers/printers/MFP's, and promotional goods** have Mandatory Awards. See the Controller's website for awarded suppliers, under Suppliers and Supplier Payment: <https://msudenver.sharepoint.com/sites/OTC/SitePages/Office-of-the-Controller-Forms.aspx>. For large furniture orders or any modular office systems, contact the University's Facilities Use department for assistance.

III. OTHER RESTRICTED PURCHASES:

- **Cell Phones:** University policy is that cell phones should be personally owned by the user and a reimbursement amount arranged through Human Resources. In extremely rare circumstances, the University might agree to purchase and pay for an assigned cell phone. Such circumstances require the associated Vice President's approval and are processed through Business Services in the Office of the Controller at 303.615.0039. Contact Business Services prior to making any phone orders at business_services@msudenver.edu.
- **Technology:** The following items must be processed by the Information Technology Services department via the TeamDynamix Service Catalog at <https://msudenver.teamdynamix.com/TDClient/2313/Portal/Requests/ServiceCatalog?CategoryID=16524>.
 - Computing equipment (i.e., desktops, laptops, tablets)
 - Items that can store PII/Sensitive/Confidential Data (e.g., external hard drives, storage devices, flash drives, etc.)
 - Audio visual equipment (e.g., TV's, Roku's, webcam/conferencing systems for classrooms, projectors)
 - Computer peripherals, such as monitors and docking stations
 - Internal hardware for computing devices
 - Printers - [Submit a TDX New Printer Consultation request](#)
 - Cybersecurity hardware (e.g., vulnerability scanners, firewalls, etc.)
 - External disk drives (e.g., CD drives, DVD players)
 - Scanners

It is not necessary to go through ITS for small peripherals, such as miscellaneous cables, keyboards and mice, adapters (AC adapters), headsets, speakers, and webcams. However, these peripherals will not be installed by, supported, or maintained by ITS.

- **Copier Leases:** All new copier/networked printer/multi-function printer (MFP) leases must be obtained from Lewan Technology | A Xerox Company, which is our

mandatory award supplier. Please contact Accounts Payable at 303.615.0039 or email accountspayable@msudenver.edu , to obtain assistance when you are ready to lease a new copier. **You must submit a Requisition in Workday and obtain a Purchase Order for the lease, regardless of dollar amount.** Webstore: https://enterprise.accounts.xerox.com/INTERSHOP/web/WFS/XeroxEcommerce-B2B-Site/en_US/-/USD/ViewHomepage-Start?TrackingDataContainerID=

To request University ITS service to network a new leased copier:
<https://msudenver.teamdynamix.com/TDClient/2313/Portal/Requests/ServiceDet?ID=51698>

- **Rental Cars:** Specific requirements must be met for rental cars. If you will be renting a car it must be included and approved on a Spend Authorization. For in-state travel, you have the option of using the State's Motor Pool service. Contact the Business Services Office for information and to make reservations. There are three car rental agencies under state contract: Hertz, Enterprise, and National Car Rental. When renting a car from one of these agencies, you MUST use the CDP number provided by the University. This contract provides \$1,000,000 of liability coverage. If you choose not to use a state approved supplier, you are required to purchase \$1,000,000 liability coverage. Please see the University's Travel Guide in the Travel section of the Office of the Controller website.
[https://msudenver.sharepoint.com/sites/OTC/SitePages/Travel\(1\).aspx](https://msudenver.sharepoint.com/sites/OTC/SitePages/Travel(1).aspx)
- **Building Maintenance and Construction:** Any work required on your physical space, from fixing a door to knocking down walls, must be handled by AHEC Facilities Management. Submit a Work Request through the link at MSU Denver's Facility Planning and Use department: <https://www.msudenver.edu/facilities/>
- **Travel Expenses:** All air travel can be processed through an online travel supplier, directly through an airline, or through one of MSU Denver's approved travel agencies. Before traveling, please review the Travel Guide. Restrictions apply to different aspects of travel purchases. Please see the University's Travel Guide in the Travel section of the Office of the Controller website.

IV. GIFTS and GIFT CARDS:

If a department wishes to purchase a gift, regardless of its form, e.g., plaque, t-shirt, or gift card, you are encouraged to contact the Accounts Payable Manager for guidance and advice. All gifts must have the department head's approval in advance, and if a gift exceeds \$50.00 in value, then you must also get the Controller's approval. All gift card purchases require a Gift Card Log to be attached to the purchase transaction. Gift Card Tracking Log:

<https://msudenver.sharepoint.com/sites/OTC/SitePages/Corporate-Cards-Functional-Support.aspx>

This policy should not discourage employees or departments from taking up a collection and making unlimited private gifts to colleagues in appreciation for their services or in recognition of events of personal importance.

Prior to making your Gift or Gift Card purchase, please see the Gift Card Policy and Procedures at <https://www.msudenver.edu/policy/policy-library/>.

V. OFFICIAL FUNCTIONS:

View the University's **Food and Beverage policy** at <https://www.msudenver.edu/policy/policy-library/>.

An official function is an event for official business purposes sponsored by MSU Denver-authorized personnel that includes food and/or alcohol of any kind.

Fiscal Rule 2-7: Official Functions and Training Functions shall be held to achieve program objectives and shall be limited to reasonable and actual costs. The attendance of State employees at these functions shall be kept to a minimum and shall include only those individuals directly related to the purpose of the function. Expenditures shall be kept to a minimum as they have the potential of being perceived to be for personal benefit and an abuse of public funds.

Authorized signers have the authority to determine what events are necessary for their department and additional approvals are not necessary. However, special consideration should be given to events that are not directly related to the conduct of MSU Denver business or accomplishments of program objectives, e.g. birthday and wedding celebrations. Each authorized signer is a steward of their funds and must be able to support the reasonableness of their purchases. Please remember all purchases are subject to open records requests and have the potential of being scrutinized by peers, external constituents, and the news media.

Official Functions While Traveling

Employees should not purchase meals for coworkers while traveling – each traveler is entitled to their own per diem. Official functions while traveling are discouraged and should only be approved as a rare exception. If there is an official function while traveling, there must be written approval from the supervisor, a valid business purpose that explains the benefit to the university for this expense, and a list of employees who traveled and attended the function, all of which must be attached to the expense report.

Official Functions include:

- Community relation functions - Events hosted by the University on behalf of external entities or activities directly related to the educational, research, or public service mission of the University.
- Recruitment functions - Actions to enlist new employees, faculty, etc.
- Student functions – Events hosted by MSU Denver that may be attended by students in addition to MSU Denver employees and/or associates and directly related to student or educational development, such as student recruitment or student program development.
- Meetings of employees, students, and official guests of the University. The primary purpose of the meeting is to conduct MSU Denver business, and the specific business purpose is stated on the check request.
- Training functions – held to enhance knowledge or educate the participants. Training functions have a written agenda, study materials, and are led by an identified presenter.

Process: Purchases related to an official function follow all the standard purchasing rules. Prior to the event, complete the following steps:

- Be sure you have Commitment Voucher(s) in place for supplier(s) you will be paying as part of the function.
 - A Corporate Card may be used for official function/training functions up to \$10,000.00.
 - A PO must be used when official functions/training functions are estimated to total \$10,000.01 or more from one supplier in any fiscal year.

After the event, submit the following documentation to Accounts Payable, either with your payment request or your Procurement Card transaction:

- The business purpose must be clearly stated.
- Itemized receipts or itemized supplier invoice(s).
- A list of the target audience, e.g. campus-wide, students, open to public, etc.

Alcoholic Beverages

The University does not authorize payment for alcoholic beverages, with the following exceptions:

- Presidential official functions
- Purchased for use in Hospitality, Tourism, and Events (HTE) courses, where the alcoholic beverage is part of the course curriculum.
- Purchased through the MSU Denver Foundation. Refer to the Foundation policy regarding the purchase of alcoholic beverages.

QUESTION 2: HOW MUCH DOES IT COST?

Once you know what you are buying, the next thing to consider is the price. The total cost determines which forms to use and what approvals are required. With the exception of State and University awards, all purchases of goods and services that total more than \$50,000 must go through the competitive solicitation process, which is managed by AHEC Procurement Services. *The total cost is the cost of a whole procurement or project, whether it crosses fiscal years or not, or over the fiscal year for multiple purchases from one supplier.* **VERY IMPORTANT:**

When calculating the total amount of the purchase, you must consider several things:

- You must include all additional fees and expenses, such as shipping, installation, reimbursable expenses, or travel expenses. Frequently, these will be listed separately from the itemized costs of goods and services and left indeterminate, in which case you must include a predetermined “not to exceed” amount. This amount should be your best guess of the total additional charges; however, reimbursements should be for no more than the actual amounts.
- The PO and Solicitation limits include all purchases from one supplier during the fiscal year per department and/or fund/cost center combination. In other words, we do not calculate the total based on multiple separate departments, unless the same person/people make the determination of which supplier to use. For instance, because ITS determines all computer suppliers for the University, these limits apply to all such purchases *in total*, regardless of the fund/org combination of each individual purchase.

Purchases may not be split in any way in order to avoid any part of the purchasing process.

CRS 24-103-204 – Any procurement not exceeding the amount established by rule may be made in accordance with small purchase procedures established by rules, but procurement requirements shall not be artificially divided so as to constitute a small purchase under this section.

In other words, if you plan to buy 50 unicycles for \$50,000, which would require competitive solicitation, you may NOT split the order into two purchases of 25 unicycles for \$25,000 in order to avoid the solicitation process.

I. GRANT-FUNDED PROCUREMENTS:

CHECKING AND DOCUMENTING THE “DEBARRED OR SUSPENDED”

ENTITY/SUPPLIER SEARCH: According to 2 CFR 180, non-federal entities receiving federal funds are prohibited from contracting with or making subawards under *covered transactions* to entities that are debarred or suspended by the federal government when the *value of the transaction* equals or exceeds \$50,000 (2 CFR 180.220(b)(1)). Thus, non-federal entities are required to perform the necessary or affirmative steps to verify that those suppliers/entities are not on the federal government’s suspension and debarment list.

Commitment

Considering the above, MSU Denver is committed to ensuring that federal funding does not go to subrecipients, contractors, individuals or businesses that have previously mismanaged federal funding. Thus, in accordance with that threshold, MSU Denver’s Office of the Controller must perform the necessary steps to verify that the university is not engaging, purchasing from, or contracting with any entity or agency that has been “Debarred or Suspended” by the federal government.

Procurements

Grant-funded procurements are required to follow all the procurement rules and processes included in this manual. In addition, if you are purchasing goods or services totaling between \$10,000 and \$250,000 with grant funds, you must comply with 2 CFR 200.320(2)(i) for Small Dollar Purchases, in addition to the University’s regular procurement processes. You are responsible for providing the following quotes with your Purchase Requisition:

- \$10,000 through \$49,999 – purchases of goods or **services** that will be paid for with federal funds require a minimum of two (2) quotes from a Supplier/Contractor which may include, but are not limited to, an email, price list from a website, or online search engines prior to purchase.
- For marketplace entities such as Amazon, Ebay, and Etsy, documentation would be required, showing a minimum of two (2) internet sources for the product.

II. PURCHASES TOTALING \$10,000 OR LESS:

PURCHASE ORDER: All purchases over \$10,000 during the fiscal year, must have an encumbrance established in Workday. You can also have a PO for purchases under \$10,000, but it is not required, except for the following, which require a PO or Contract *regardless of dollar amount*:

- Networked Copiers/Printers/MFP's
- Hardware or Software
- Sponsorships
- Legal Services
- Any construction-related services
- Lease or purchase of real property

CORPORATE CARD: The Corporate Card is the preferred method for small-dollar purchases because it is the simplest, most efficient, and least costly means by which to procure goods and services. When making a purchase of \$10,000 or less with the Corporate Card, no encumbrance document is necessary; **however, it is important to understand that corporate cards are a method of payment, NOT a procurement document. All purchases must follow fiscal and procurement rules, including using a PO, or other procurement document, if necessary.**

- ***IMPORTANT:*** *If using the Corporate Card to make an online purchase and the supplier requires any kind of terms or conditions to be accepted (frequently by clicking an "I accept" button or providing a supplier agreement), you may not make that purchase without consulting with the Contracts and Business Services office first.* Other rules and regulations apply to Corporate Card usage. To learn more, please complete the online Corporate Card Training, available at:
<https://msudenver.sharepoint.com/sites/OTC/SitePages/Corporate-Cards-Functional-Support.aspx>
- Corporate Card charges without an encumbrance are limited to \$10,000.00 per supplier, per fiscal year, per department and/or worktag combination. Corporate Card charges of \$10,000.01 or more require a Purchase Order issued by AHEC prior to making additional Corporate Card purchases with that supplier.
- The card is issued in the name of an individual or department. Cards issued with an individual name are not to be shared with other employees. Departmental cards can be used by others but must be tracked by the responsible agent through the Use Log. Please see the Corporate Card Handbook for more information.
<https://msudenver.sharepoint.com/sites/OTC/SitePages/Corporate-Cards-Functional-Support.aspx>
- Corporate Card transactions are managed in Workday. Wells Fargo sends all credit card transactions to the Workday cloud-based platform. This is where appropriate worktags are allocated to transactions, the business purpose is identified, and the expense reports are submitted for final approval.
- **Cash withdrawals are not permitted with any form of credit card transaction.**

SUPPLIER PAYMENT AGREEMENT FORM: Supplier Payment Agreement forms are used to authorize procurement of services or goods when a PO is not required, but the Terms and Conditions must be provided to the supplier prior to any services being performed.

PAYMENT REQUEST FORM: Payment request forms are used in a limited capacity to authorize payment for purchases not requiring a commitment voucher.

- ***A Payment Request may be used for any purchase from a supplier totaling less than \$10,000 for the fiscal year when the supplier will not accept a credit card payment.***
 - They may NOT be used to reimburse employees. Employees may only be reimbursed through the Expenses module in Workday.
- ***A Payment Request may be used to pay a supplier for any dollar amount, and a PO is not required, for:***
 - Dues, memberships, and subscriptions.
 - Financial aid or tuition assistance programs (scholarships to students).
 - Postage, freight, or other delivery charges (e.g., messenger fees).
 - Access to internet-based, on-demand training classes and webinars;
 - Conference registrations;
 - Conference facilities at hotels or other venues that include, but need not be limited to, meeting rooms, AV equipment, catering, and guest accommodation rooms;
 - Other exceptions are detailed in the University Fiscal Rules, Section 2-2.

III. PURCHASES TOTALING MORE THAN \$10,000:

All purchases over \$10,000 will be handled by the AHEC Procurement Services Office and, if above certain dollar thresholds, may require a solicitation, in the form of a Documented Quote (DQ), an Invitation for Bids (IFB), or a Request for Proposal (RFP) to be published on the online procurement system by AHEC Procurement Services.

SOLICITATIONS: With the exception of purchases with federal grant funds under \$50,000 for goods or services, which must follow the Grant Uniform Guidance for small-dollar purchases, the authority for obtaining quotes, bids, and proposals lies with AHEC Procurement Services, not the department. Contact AHEC Procurement Services for assistance with the solicitation process.

- If a DQ is required for the purchase, it must be posted on the online solicitation system at least 3 days. If an IFB is required, the solicitation must be posted a minimum of 14 days and at least another 15 working days should be allowed for the selection process. For an RFP, the solicitation must be posted a minimum of 30 days and at least another 15 working days should be allowed for the selection process. Keep in mind, however, that because of the complex nature of formal solicitations, a significant amount of time should be allowed for preparation of the request (1 to 3 months). After bids are opened and a purchase order is issued you will also need to allow for supplier delivery time. If a formal contract is required, additional time should be expected.
- An IFB is used when specifications are clear and concise, and factors determining selection are objective.
- An RFP is used when the specifications are unclear, complicated, and it may be important to weigh factors in addition to price.
- When an item is out for bid the requesting party and solicited supplier may not communicate in any manner - all questions are to be handled by AHEC Procurement Services. Any deviation from this procedure could render the bid null and void, in which

case the bid will be canceled, and a period of 6 to 8 weeks must lapse before another requisition can be processed. This procedure is to protect all parties involved against collusion, bid rigging, or other violations, which are punishable under law.

- There is no competitive solicitation or dollar limit for goods or services purchased from a supplier that has been issued a State or University Price Award.

REQUISITIONS (REQ) and PURCHASE ORDERS (PO):

For any purchase of goods and/or services totaling more than \$10,000, you must submit a Requisition. The department requiring the goods or services must complete the Create Requisition task in Workday. ***IMPORTANT: The requisition is NOT a purchase commitment voucher. The purchase may NOT be made until a Purchase Order is issued by AHEC Procurement Services.*** Once received by AHEC Procurement Services and all procurement procedures are completed, the Requisition will be used to generate a PO or long-form Contract. AHEC Procurement Services will arrange the order, as well as shipping and receiving of goods. There is no dollar limit for goods purchased on a PO, though under certain circumstance, it might be beneficial to use a Contract. Services may be purchased on a PO up to a limit of \$250,000, at which point a Contract is required.

OPEN PURCHASE ORDERS: If your department intends to repeat purchases for similar goods from the same supplier throughout the fiscal year, e.g., toner, you may use an Open Purchase Order (Open PO). An Open PO is an open contract with an effective date, an expiration date, and upper dollar limits, which allows you to purchase directly from a supplier, with the PO being liquidated for the amount after each purchase. Open PO's must terminate by the end of the fiscal year and a new Open PO issued, if necessary, for each new fiscal year.

CONTRACTS: Contracts are required for purchase of *services* over \$250,000 or purchase of goods, if it includes services that exceed \$250,000 of the total purchase price. They may also be used in other circumstances when not specifically required, such as complicated or technical projects in which MSU Denver may be at greater risk. Contracts contain detailed terms and conditions to protect the University's and the State's interests. Because of the increased risk involved, they may *only* be processed by MSU Denver's Contracts and Business Services office and may *only* be signed by the University's President or his/her authorized representative.

EASY BASIC GUIDELINES - Chart

Dollar Threshold Requirements for Goods and Services

PURCHASE	\$0-10,000.00	\$10,000.01-50,000.00	\$50,000.01-250,000.00	\$250,000.01 and up
Process	Supplier selection is discretionary. Delegated MSU Denver campus departments have purchasing authority.	Supplier selection is discretionary. Processed by AHEC Procurement Services. <u>Grants</u> – up to \$50,000, must provide at least 2 quotes.	Competition is sought via the DQ Process.	Competition is sought via the IFB or RFP process. Suppliers must respond with a Competitive Sealed Bid or a Competitive Sealed Proposal.
Requirements	Payment Request, Supplier Payment Agreement, PO, or Corporate Card.	PO or Contract. Create Encumbrance.	PO or Contract. Create Encumbrance.	<i>Contract is required for services over \$250,000.00.</i> Create Encumbrance.

PAYMENT TO SUPPLIERS

All invoices should be sent directly to Accounts Payable at accountspayable@msudenver.edu

I. SUPPLIER SETUP:

New suppliers, or suppliers with changes to their IRS status, their banking information, or their address, must be updated or added to Workday. The Office of the Controller will need an updated (signed & dated) W-9 Form, to comply with the IRS. If you use a foreign supplier, we need a completed, signed W-8BEN form, to identify tax treaty status.

Please upload sensitive information to the Office of the Controller by using the **SECURE DROP BOX** at <https://seureshare.msudenver.edu/filedrop/securedropbox>. Payment requests may be submitted in Workday, but W-9 forms and ACH Request forms must be submitted securely. These forms contain Tax ID numbers and banking information and should never be emailed.

For new suppliers, first search Workday to find out whether the supplier is already in the system. Use the Find Suppliers report and filter by the supplier's name or other information. If the supplier is not in Workday yet, submit a Create Supplier Request in Workday, filling out all the information you can, including contact information, reason for requesting the supplier, and any additional information or attachments you have, as appropriate.

If you are using a new supplier, or if your supplier's entity status or address has changed, please allow for additional time for your purchase to be processed. New suppliers and supplier changes must be reviewed and verified before being entered into the system.

II. PAYMENT TYPES:

Suppliers may be paid via the following payment types:

- **Check Payments** – For check payments, a payment request or supplier invoice must be submitted in Workday using the task: Create Supplier Invoice Request. Check runs occur once a week, on Thursdays.
- **ACH Payments** – For ACH payments, a payment request or supplier invoice must be submitted in Workday using the task: Create Supplier Invoice Request. The ACH process runs daily, so we recommend a supplier accept ACH whenever possible, if payment will be processed through Accounts Payable.
- **Procurement Card Payments** – P-Card payments directly to your supplier are encouraged, but be aware there may be a merchant fee in addition to your purchase amount. The university sees some financial benefit from corporate card purchases. A P-card may be used to pay any invoice up to the cardholder's limit; HOWEVER, this does not replace the need for a PO, Contract, or other procurement document, when required. **NOTE:** Cash withdrawals are not permitted with any form of credit card transaction.
- **Wire Payments** – For wire payments to international suppliers, a payment request or supplier invoice should be submitted in Workday using the task: Create Supplier Invoice. Accounts Payable will ensure payment is processed by the bank accountant. For foreign currency wires and after a successful transfer, Accounts Payable will record the payment in Workday.

- **Third-party payment portals** - Use of third-party payment portals is restricted as follows:

Allowed:

- **PayPal:** As long as itemized receipts are available and PayPal continues to provide supplier payment information in the credit card charge description, we will continue to allow PayPal processing. PayPal provides detailed invoices, payment history, and statement access. PayPal charges the 3% merchant fee to the person receiving payment, instead of the University. Transaction Description Example: PAYPAL NFCA
- **Square:** Payments processed through Square are like other point of sale purchases, like you might use at a brick and mortar merchant. As long as itemized receipts are provided by your supplier and Square continues to provide supplier payment information in the credit card charge description, we will continue to allow Square processing. Square charges the 3% merchant fee to the person receiving payment, instead of the University. Transaction Description Example: SQ TIVOLI BREWING CO

NOT Allowed:

- **VENMO:** Processing payments through VENMO is **NOT** allowed. VENMO does not provide any supplier details and they do not provide tracking or proof of payment. There is no documented evidence of payment receipt. In addition, VENMO charges the 3% merchant fee to the entity who is paying, which means the University would pay an additional 3% charge. Transaction Description Example: VENMO
- **Other:** The University does not sanction the use of any other third-party payment portals. If there is another third-party payment portal you are interested in using, please contact the Office of the Controller prior to making a payment commitment.

III. PAYMENT PROCESSING METHODS

Supplier payments may be processed by the following payment processing methods:

- **Direct Payments (no encumbrance) processed through Accounts Payable:**

Direct payments are used for any purchases that did not have a PO and were not paid with a p-card. Submit a Supplier Invoice Request in Workday and attach all applicable documents, e.g., invoices, Supplier Payment Agreements, Payment Request Forms, etc.

- **Payment to Supplier via Corporate Card:**

Many suppliers accept credit card payment. We encourage this payment method, but note that there might be an additional merchant service charge for such payments. If you do not want to pay the additional fee, you can submit the invoice for AP to pay with a check or ACH. Note that goods and services purchased that will exceed \$10,000 per year must have a PO in place.

- **Payment by Invoice through Accounts Payable – Pay against a PO:**

The invoices will be processed against the existing encumbrance. Suppliers should send their invoices directly to accountspayable@msudenver.edu. If you receive the invoice from the supplier directly, submit a Supplier Invoice Request in Workday, referencing the PO, and attach the invoice and any associated backup.

- **Payment by the Supplier Payment Agreement through Accounts Payable:**

The purpose of the Supplier Payment Agreement is to verify the supplier has seen our Terms and Conditions. If the purchase will exceed \$10k for the services, then this form may not be used. NOTE: Employees may not be paid for services through Accounts Payable. Please contact HR for guidance on submitting a one-time payment.