

ATU Procurement Training for Faculty and Staff

Business Services
Procurement Services
purchasing@atu.edu
479-964-0589 ext. 3554

Today's Topics

- Ethics-What is expected of me as a state employee?
- Procurement Processes-How are things purchased and paid for at ATU?
- Basic Procurement Guidelines-What are the rules and how do we follow them?
- Contract Review Process-The vendor sent me this contract, now what?
- Online Resources for Faculty and Staff-Where can I go to find direction and answers to my questions?
- Procurement Requisition Entry-I know what I need to buy, how do I get the ball rolling?
- Take Away

Ethics

ATU is an institution of the State of Arkansas.

As public employees our employment is a public trust and must be executed in such a manner to foster public confidence.

Any attempt to realize personal gain through public employment by conduct inconsistent with the proper discharge of the employee's duties is a breach of public trust. –Ark. Code Ann. § 19-11-704(a)

Personal gain include financial gains by any member of an employee's family.

Splitting purchases to circumvent the bidding process is a violation of Arkansas Law. *19-11-702. "Any employee who knowingly violates any of the provisions shall be guilty of a felony and upon conviction shall be fined in any sum not to exceed ten thousand dollars (\$10,000) or shall be imprisoned not less than one (1) nor more than five (5) years, or shall be punished by both."*

If you aren't comfortable with it being in the headlines, don't do it!

Procurement Cycle

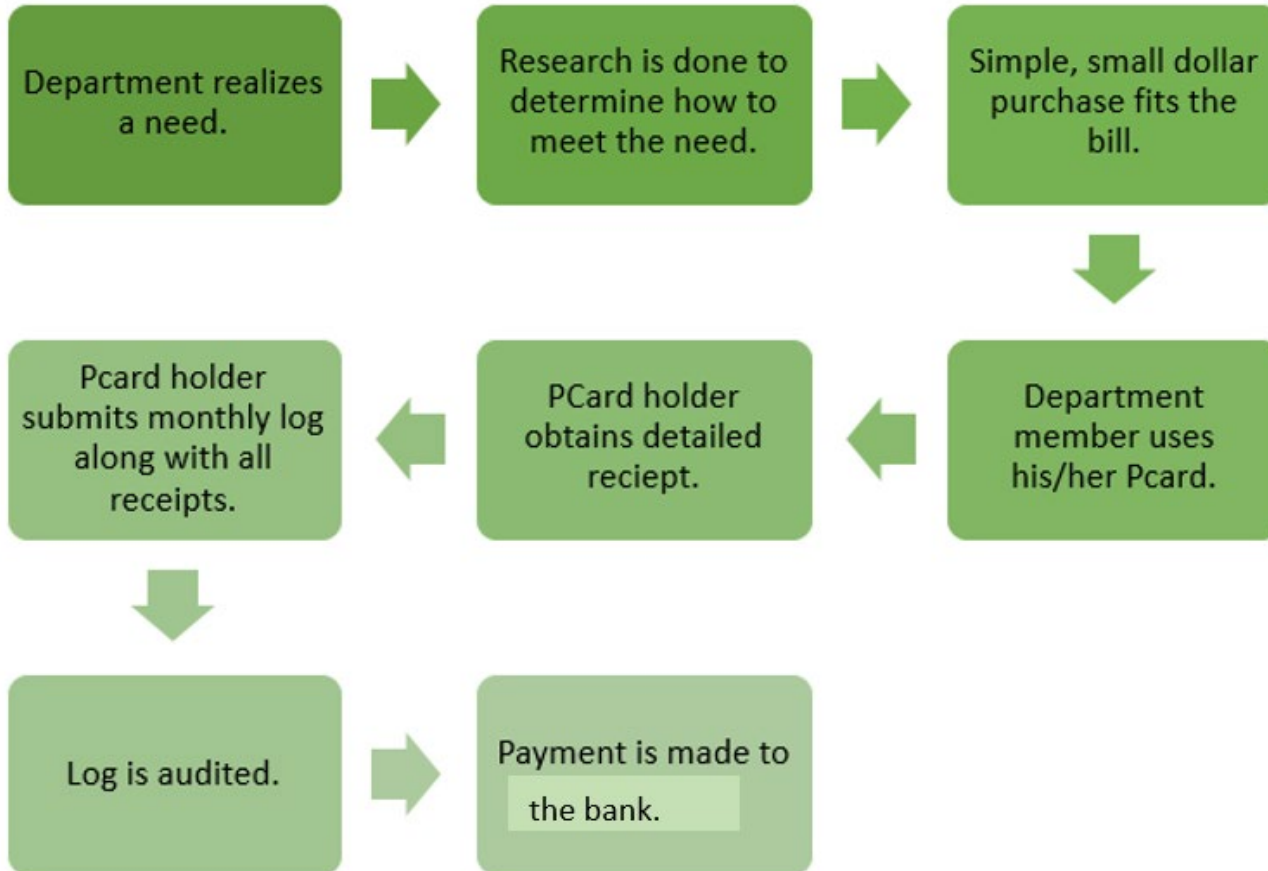
1. Department realizes a need.
2. Research is done to determine how to meet the need. Procurement is a great source of information. Please reach out to us!
3. Department enters a requisition to reserve funds for purchase. Requisition travels through electronic approval process and lands in Procurement for processing. Pcard may also be used
4. Procurement assist in making sure that the good or service is procured within State of Arkansas and ATU guidelines. This may include issuing an Invitation for Bid or Request for Proposal.
 - If any software is purchased, fill out the OIS Software Application for review first.
 - If any contract or agreement is required for purchase, fill out the cover sheet and submit to Legal Counsel.
5. Procurement converts requisition to a purchase order and submits to vendor. Requestor receives a departmental copy of the PO in email inbox.
6. Good is received or service is performed.
7. Department signs departmental purchase order and forwards to Accounts Payable
8. Accounts Payable issues payment to the vendor.

Don't commit to buying anything unless you have a PO or P-card in hand.

Don't sign any agreements or contracts.

This is for your protection!

Procurement Process-PCard

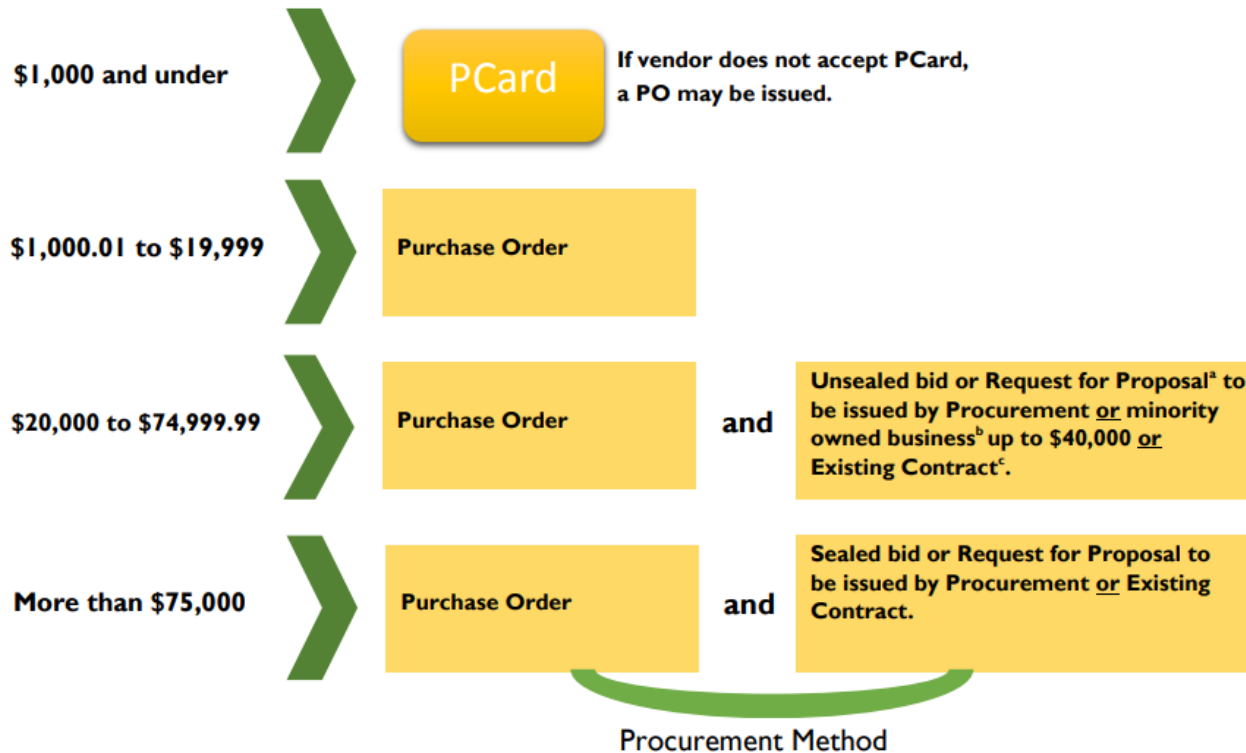


Pcard Tips

- ✓ Cardholders can check available balance and see transactions at BOA global connect.
- ✓ Remember, no requisition means no encumbrance against your budget as you use your card.
- ✓ Stay up to date with Pcard procedures. See the Newsletter and OneTech!

Procurement Guidelines

ATU Procurement Quick Reference Guide



Procurement Guidelines

ATU Procurement quick reference guide

a. Request for Proposal

- An RFP is a form of solicitation used when award is based on a variety of factors including but not limited to cost. Contact Procurement for direction on how to complete an RFP and other options for formal solicitation.

b. Minority Owned Business

- AR Act 1080 allows for double the bid limit to be spent with a minority-owned business and defines minority-owned business as those being 51% or more owned by a lawful permanent resident of the state who is:
 - African American
 - Hispanic American
 - American Indian
 - Native American
 - Disabled Veteran
 - Woman

c. Existing Contracts

- ATU may be able to use existing contracts from the State of Arkansas, intergovernmental contract, and purchasing consortiums.


Things to Remember

- Contact Procurement for assistance if you are working on a complex purchase, including purchases with a contract or solicitation.
- ATU designates the ability to sign contracts to certain officers. Find the Signature Authority Delegation list [here](#).
- Dollar thresholds are based on a single procurement or overall contact spend. Artificially dividing procurements to avoid the bid process is a violation of AR State Law.
- See atu.edu/purchasing for complete ATU Procurement policy and State of Arkansas Procurement Law.

If you have a unique situation not covered in this quick reference guide, contact Procurement for assistance at 479-968-0269 or purchasing@atu.edu.

Required Prize/Gift Form

- Completed and approved form must place prior to any giveaway being advertised or purchased.
- Available at atu.edu/controller
 - Select Menu/Forms/Student Gift Prize Award Form



ARKANSAS TECH UNIVERSITY

Student Gifts, Prizes & Awards Procedure

Will you be hosting an event, meeting, or program where prizes will be given or a competition where a prize? If so, it is important that you follow the procedures outlined here and that you are aware associated with distributing prizes, before advertising or purchasing the item for your event.

Please be sure to inform all individuals that the value of a prize awarded, through a drawing or prize, is taxable income to the recipient and may need to be reported to the IRS.

Non-US citizens may be subject to additional taxes. In some cases, 30% of the value of the prize paid before the prize can be claimed. Please contact the Controller's Office before awarding the prize to a non-US citizen.

Gift Cards

Gift cards may be purchased for prizes to ATU students only according to the following guidelines:

1. The total amount for any gift card cannot exceed \$100 and must be pre-approved.
2. Notify the Controller's Office when a gift card has been awarded, by turning in this Reporting Form within five business days. *Contact the Controller before awarding to a non-US citizen. Gift cards must not be purchased with a University PCard.
3. The recipient of the gift card must personally pick up the card by presenting a signed gift/prize/award form.

***If the above policy isn't followed the individual that purchased the gift card, on behalf of the organization, will be documented as the recipient of the gift card, and will be held responsible for reported to the IRS.*

Prizes—Cash (in the form of a check from the university)


Cash can be awarded to winners of competitions sponsored by student organizations or departments. Prizes can only be awarded to ATU students unless prior approval is given for a non-student recipient award a cash prize, the student organization or department should follow this procedure:

1. Complete the Gift/Prize/Award Pre-Approval form and await approval.
2. Deliver the Gift/Prize/Award Reporting form to the Controller's Office within five business days of choosing the recipient. *Contact the Controller immediately if the recipient is a non-student.
3. Submit a requisition(s) and once the Controller's Office receives all necessary approvals, the check will be issued to the recipient.

Prizes—Goods Valued at \$50 or more (gift cards & cash are not included)

Goods valued at \$50 or more are awarded to winners of competitions sponsored by student organizations or departments. The student organization or department is responsible for submitting the appropriate documentation to the recipient and the Controller's Office. Goods less than \$50 are considered de minimis and do not require the reporting form. In order to receive a prize, please follow the procedures below:

1. Complete the Gift/Prize/Award Pre-Approval form and await approval.
2. Submit the completed Gift/Prize/Award Reporting form to the Controller's Office within five business days of awarding the prize. *Contact the Controller before awarding the prize to a non-US citizen.



ARKANSAS TECH UNIVERSITY

Gift/Prize/Award Pre-Approval Form

Important information: IRS tax laws require the reporting of gifts/prizes/awards given to individuals. This form must be completed BEFORE the purchase of any gift/prize/award including gift cards or non-monetary items.

Current Date: _____

Department/Organization: _____

Department Representative: _____

Purpose of Gift/Prize/Award: _____

Who will receive the gift/prize/award (i.e. student or off-campus individual): _____

Why a box is the gift/prize/award to be given: _____

When will the gift/prize/award be given (provide specific date): _____

Number of Gift/Prize/Awards	Description
_____	_____

To be Purchased Gift Card(s) Yes No PCards must not be used to purchase gift cards.

Value of Gift/Prize/Award: _____

Vendor Name: _____

FOAP charged for Gift/Prize/Award Fund _____ Org _____ Act _____ Page _____

Confirmation of Departmental Representative
I confirm that the Gifts/Prizes/Awards purchased will be used solely for the intended purpose listed above. I understand that failure to submit a completed Gift/Prize/Award Reporting form to the Controller's Office within a week of the gift/prize/award distribution may result in the possible suspension of my department's ability to purchase gifts/prizes/awards.


Department Signature: _____

Vice President's Approval
I hereby authorize the use of funds to purchase the Gift/Prize/Award for the intended purpose listed above.

Vice President's Signature: _____

Controller's Office Approval

Controller's Office Signature: _____



ARKANSAS TECH UNIVERSITY

Gift/Prize/Award Reporting Form

All gifts, prizes and awards are considered a form of compensation and may be taxable to the recipient and subject to IRS reporting.

Gift cards/certificates purchased and given to students (including student employees) are considered taxable income, regardless of the amount and must be reported as income.

Students and non-employees that receive taxable compensation of \$600 in a calendar year will receive an IRS 1099-MISC form.

Information for Controller's Office: Check Box if recipient is a US Citizen or Resident Alien

Name of Recipient: _____

Address of Recipient: _____

Phone # of Recipient: _____

Banner ID Number: _____

Please attach a completed IRS Form W-9 (US citizen/resident alien) or W-8ENR (nonresident alien)

Description of Gift/Prize/Award and event dates: _____

Value of Gift/Prize/Award: \$ _____ Purchased From: _____

Dept. or Org Giving Gift/Prize/Award: _____

Certification:
I certify that I have received the gift/prize/award indicated above and that the value received may be taxable to me.

Signature: _____ Date: _____

In order to comply with IRS regulations, a tax charge may be added to the student's account, if the recipient is a non-resident alien.

Please complete the form in its entirety; return the above portion to the Controller's Office; and give the section below to the Gift/Prize/Award Recipient

Information for Gift/Prize/Award Recipient:

Name: _____

Description of Gift/Prize/Award: _____ Value: \$ _____

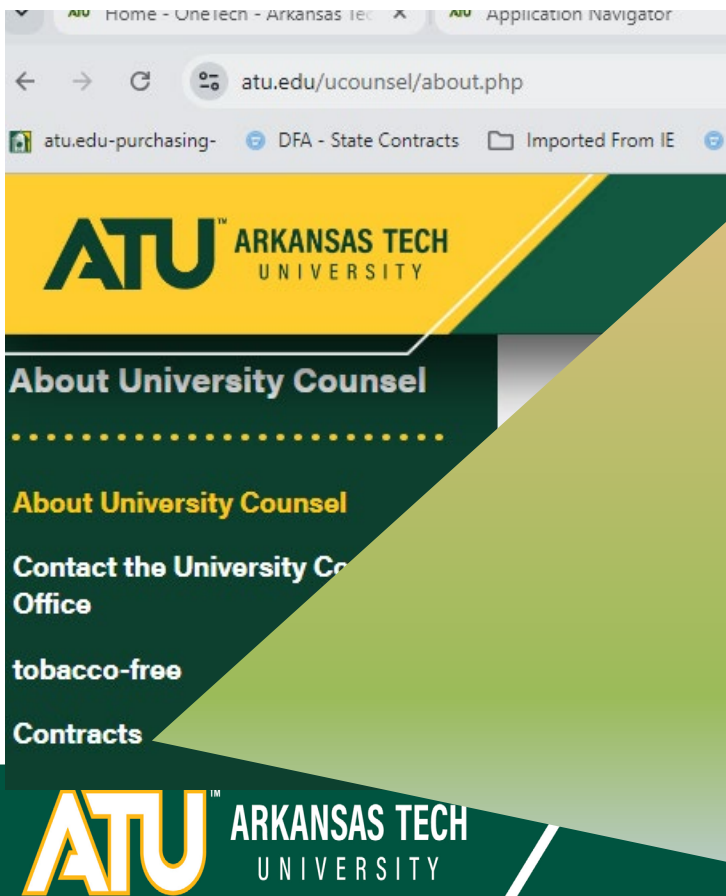
From: _____ Date: _____
(Department or Organization of Arkansas Tech University)

Please note that the value of gifts/prizes/awards received may be taxable.

In order to comply with IRS regulations, a tax charge may be added to the student's account, if the recipient is a non-resident alien.

Contract Review Submission

Every agreement that is presented must be evaluated prior to PO being issued. Enter “Contract to Follow” on requisition. Be cautious. Some documents may seem common place, but if it requires a signature it must be evaluated.



ATU Contract Approval Cover Sheet	
Office of University Counsel, Ross Pendergraft Library Room 304	
This cover sheet is for internal use only	
If your contract will include monetary involvement, please indicate the Index Code in which you plan to use.	
Requestor Name: _____	Date Submitted: _____
Department: _____	
Vendor Name: _____	Vendor Email: _____
Contract/MOU Start Date: _____	Contract/MOU End Date: _____
Is this contract/MOU a renewal? _____	
Briefly explain the purpose of the contract/agreement:	
-If your contract/MOU does not include monetary movement, please input N/A for contract amount.	
Contract Amount: _____	Requisition # _____
Or Agency or Foundation _____	INTENDED INDEX CODE _____
General Information	
-Any purchase over \$20,000 will require a bid.	
-Please send all contracts to contracts@atu.edu . Contracts will be reviewed by the Contract Liaison and sent to the appropriate supervisor, Department Head, Dean, and EC Member for cover sheet signatures. Cover sheet signatures simply show that the department, as a whole, agrees upon the implications of the contract, ensures budget sustainability (if applicable), and ensures alignment with the organization's goals and capabilities.	
-Contracts and signed cover sheets will then be reviewed by Legal Counsel. Review will include verifying legal compliance with applicable laws and regulations, and identifying any legal risks or issues. If amendments are required, negotiations will begin between the Contract Liaison and the contract vendor.	
-Contracts with monetary obligations will be sent to Procurement for review and negotiations.	
-If an agreement is made between all parties, the Contract Liaison will secure the appropriate signature for the non-monetary MOU/contract. A signed copy of the contract will be distributed to the Vendor, EC Member, Supervisor/Department Head/Dean, and the requestor.	
-For monetary contracts, purchasing will secure the appropriate signature and will then distribute a copy of the signed contract to the Vendor, EC Member, Supervisor/Department Head/Dean, and the requestor.	
-Copies of signed non-monetary contracts, MOU's, etc. will be maintained with Legal Counsel.	
Contract Approved by:	
Supervisor Signature: _____	Date: _____
V.P., AD, Chancellor Signature: _____	Date: _____
Dept. Head (if applicable) Signature: _____	Date: _____
Dean (if applicable) Signature: _____	Date: _____

Requisition Entry Application Navigator

- Verify budget availability before beginning requisition entry
 - Application Navigator form FGIBAVL
- Enter a commodity description line for each item purchased-avoid entering purchases as one lot.
- Commodity codes are never used on procurement requisition-only travel requisitions
- Always enter the index code in the accounting section of the requisition entry form. The index code is a shortcut to the Fund, Organization, and Program for each budget, also known as the FOAP.
- Select the appropriate Account code for the item or service to be purchased from the account code listing available at atu.edu/purchasing.

Online Resources

Business Services maintains two websites for our campus community and vendors.

Travel Services-www.atu.edu/travel

Procurement Services-www.atu.edu/purchasing

Both contain links to training materials as well as pages dedicated to specific topics.

Since we are focusing on Procurement for this training, let's look at the site

Take Away

- Contact Procurement in the beginning of the process.
- You must have a PO or Pcard in hand prior to a purchase.
- ATU operates under AR procurement law, let us help you navigate these requirements.
- Don't sign a contract or agreement, but submit for review and signature.
- Secure an approved Gift/Prize Award Form prior to advertising and purchasing items.
- Check out the website for updated information and resources.
- Enter information clearly and concisely on requisitions.
- Reach out with any questions or concerns.

Don't commit to buying anything unless you have a PO or Pcard with adequate limits in hand.

Don't sign any agreements or contracts.

These rules are for your protection!

Questions or Comments

Reach out to us at
purchasing@atu.edu or 479-968-0269

