Purchasing Process	SOP #: FIN.016.04
Effective Date	5/8/15	
Last Revision/Review	9/13/2022; 10/7/22, 7/1/23	

1. Purpose

The purpose of this procedure is to ensure appropriate internal requisition and purchasing controls are implemented and exercised for the control of all procurement activity from vendors. Procurement of property, goods or services with federal funds is subject to further controls as documented in Policy B3060 Federal Funds Procurement Standards.

2. Related Policy/Authority

Policy B3011

Policy B3050

Policy B3060

 2 CFR §200.317-327

3. Faculty/Staff Responsibilities

Vice President of Administration/CFO is responsible to ensure that an overall structure of sound internal controls is implemented, GAAP is followed in all accounting, and that all external regulations and requirements for routine business transactions are addressed in the control and reporting structure. The VP of Administration/CFO is responsible to periodically review the structure and implementation of internal controls, and to regularly review all financial reports presented to the Ownership, the Board, the Debt Trustee, and any governmental agency or accrediting body.

The Controller is responsible for the implementation and oversight of these procedures.

4. Definitions/Abbreviations

e-Requestor = Purchase requisition front end system which submits approved requisitions and related transactions to GP.

GP = Microsoft Dynamics GP (Great Plains) software system, the central finance and human resources administrative software system

PR = Purchase Requisition

RR = Receiving Report

PO = Purchase Order

Vendor = Any individual or entity providing goods or services to the College that is not an employee of the College or a student enrolled in the College

Professional Service Agreement (PSA) = A contract for professional services with detailed scope of work that supports a services purchase order

5. Procedural Steps

Creation of Vendors

The creation of new vendors will be requested by departmental Administrative Assistants (AA) via the Vendor Create Form. The requisitioner will be required to request and submit to the Finance Office a W-9 Form for any new vendor request. The Purchasing Technician will review and approve all Vendor Create forms, ensuring that proposed vendors have met criteria appropriate to the purchase. Vendor fields for all approved vendors will be maintained to collect all data required for federal procurement compliance as defined in Policy B3060, including minority business status, women's business enterprises status, and labor surplus area status. No vendor of a contract of $25,000 or greater, and no subrecipient, who is suspended or disbarred by the U. S. Government will be approved as a party to any federal procurement action.
Purchase requisitions will reference existing approved vendors, .

Purchase Requisition

Purchase Requisitions (PR) are the requisitions entered by the Department's designee or Administrative Assistant into e-Requestor. Requisitioners can determine if a vendor is already established through e-Requester. All approved requisitions are converted to a purchase order document which is then automatically uploaded to GP. Regardless of the dollar amount a department is required to enter a PR prior to obtaining goods and services. No purchase may be made until the PR has been reviewed and approved by the Department Head and above and by the Finance Office, as presented in Policy B3011 Fiscal Management . . In the rare event that a requisition cannot be processed through e-Requestor, the requisitioner should contact the Controller who will consider if the PR can be processed via the Manual Purchase Requisition form. Requisitions for hiring a Visiting or Guest Lecturer, who will be performing very limited services in comparison with an Adjunct Faculty Member, should separately complete a Visiting/Guest Lecturer Requisition form.

For federal procurements, the following additional steps will be required prior to converting a PR to a PO, to be supported by completion of the Federal Procurement Checklist by the Purchasing Technician:
1. Micro-purchases (< $10,000): no price quotations are necessary, but the price needs to be reasonable.
2. Small purchases ($10,000 - $250,000): price or rate quotations must be obtained from an adequate number of qualified sources.
3. Sealed Bids / Competitive Proposals (> $250,000): formal bidding or RFP process is used.
4. The noncompetitive proposals method (i.e., solicit a proposal from only one source) may be used, but only when one or more of four circumstances are met as defined in federal regulations, and properly justified.
5. Include domestic preferences for procurements.
6. Take all necessary affirmative steps to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible.
7. Verify that all vendors with a contract of $25,000 or greater, and all subrecipients are not suspended or debarred by the U.S. Government.

Purchase Order

Upon approval of a PR, a Purchase Order (PO) is created. For purchases of professional services, a PSA is executed prior to the creation of the PO authorizing the services. All procurement from vendors must be authorized via the purchase order process, with expanded contractual documentation of service expectations for all professional service agreements. The College maintains the contractual right to terminate all such agreements should expectations not be met. The College will maintain records sufficient to detail the history of all procurement activity

Purchase Order Disbursement

Upon delivery of goods or services, vendors will submit invoices to Accounting Technician in the Finance Office. If a requestor receives an invoice directly, submit the original invoice to the Finance Office. Payments are initiated by the Accounting Technician upon receipt of an invoice from the vendor. All vendor invoices must reference the Purchase Order number, not the Purchase Requisition.

Receiving information

Staff and Faculty are not to directly receive any purchased goods. Purchased goods are physically received by the Facilities Department. The Finance Office records and enters the receiving of purchased goods into the accounting system.   Purchased goods are distributed by Facilities. A receiving report (RR), which includes either notification that goods have been received and meet expectations (a "3-way match" transaction), or authorization to pay for services rendered (a "2-way match" transaction), must be completed by the Purchasing Technician for 3-way match transactions and by the Accounting Technician for general 2-way match transactions. to authorize the payment. Each month, Accounting will match approved PR, RR and invoices to authorize cash disbursements. Clinical Education transactions for payment of preceptors are authorized through an upload of their approval from a subsystem to GP; all other requestors inform the Finance Office via email of their approval for the Accounting Technician to enter 2-way match RR upon receipt of invoice.

Issuance of Payment

Checks and ACH transfers are processed and released weekly or as otherwise scheduled. Checks will be mailed to vendors unless a check pick-up has been expressly requested and approved on the PR; in this case, the Finance Office will provide the payment to the requestor.

The Accounting Technician will make every attempt to process invoices that have discount payment terms within the discount period. All other invoices are paid within 30 days for the invoice date (net 30), unless other payment terms have been agreed.

There is a weekly disbursement approval cycle; questions about pending disbursements should be directed to the Finance Office. A pending disbursement request will be in one of the following stages:

      a. Under review
      b. Approved or declined (declined requests will be returned to the requestor immediately)
      c. Approved but waiting for payment scheduling
      d. Scheduled for payment
      e. Paid

Credit Card Purchases

Any purchases made with the BCOM credit card must have an approved purchase requisition or approved travel requisition before proceeding with any expenditure.
NOTE: The only exception will be given to the CEO or CAO. A purchase request will be completed in arrears by either party that utilizes the card.

Expense Reimbursement
An employee may purchase goods and/or services out of pocket. An Expense Reimbursement request may be entered by the Department's designee or Administrative Assistant through e-Requester with original receipts within 7 business days after the purchase was made.

Approval process for the ER is the same as for PR process. In general, purchases of goods and services should be made through the PR process, rather than through the ER process; justification for the use of the ER for non-travel expenses will be required as a part of the submission.

Travel Expense/Reimbursement
Refer to SOP FIN.018.00 for Travel Expense/Reimbursement.

6. Reports/Charts/Forms/Attachments/Cross References

Purchase Requisition (Manual), Visiting/Guest Lecturer Requisition and W-9:

[Burrell College of Osteopathic Medicine – Finance Forms (bcomnm.org)](#)

E-Requestor User Guides: [Burrell College of Osteopathic Medicine – Finance (bcomnm.org)](#)

Federal Procurement Checklist

7. Maintenance

Office of the Controller; updated whenever an external reporting requirement is added or changed.

8. Signature

Approved by	8/30/2023
VP Administration/CFO	Date

9. Distribution List

Internal/External

10. Revision History

Revision Date	Subsection #	Summary of Changes	New/Cancellation/ Replacement Procedure? (if applicable)	Approval Date
11.19.2021	5	Added information about processing new vendors via e-requestor.		12.1.2021
11.19.2021	5	Added information about preceptor payment process		12.1.2021
9/13/2022	5	Added information about receiving goods.		9/13/2022
8/30/2023	5	Updated information for federal grants and creation of vendors.		8/30/2023