

BURRELL COLLEGE OF OSTEOPATHIC MEDICINE

STANDARD OPERATING PROCEDURES

Vendor and Contract Management		SOP #: FIN.032.01
Effective Date	05/17/2024	
Last Revision/Review	5/31/24	

1. Purpose

The purpose of this procedure is to ensure appropriate control, management and reporting of authorized vendors and contractual professional services agreements with vendors. Procurement of property, goods or services with federal funds is subject to further controls as documented in Policy B3060 Federal Funds Procurement Standards. All contracts and other documents which create legally binding financial obligations on the College are subject to these procedures, excluding employment contracts and nonbinding memorandums of understanding.

2. Related Policy/Authority

Policy B2050 Data Security

Policy B3011 Fiscal Management

Policy B3050 Federal Funds Compliance

Policy B3060 Federal Funds Procurement Standards

2 CFR §200.317-327

SOP FIN.016 Purchasing and Disbursement Process

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. The Purchase Requisition and the Purchase Order are both created in e-Requestor and uploaded to GP. Three-way match and two-way match receiving reports are entered directly into e-Requestor and uploaded to GP.

GP = Microsoft Dynamics GP (Great Plains) software system, the central finance and human resources administrative software system. The Vendor Record, Receiving Report and the Invoice associated with the purchase are all created directly in GP. GP is the official auditable system of record for all purchasing and disbursement transactions; other referenced systems support GP.

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Concord = Contracts management database. The Professional Service Agreement is created and/or filed in Concord, referenced by the associated Purchase Order number.

PR = Purchase Requisition

PO = Purchase Order

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

Requisitioner = Department Head as defined under Policy B3011 authorized to approve the PR, or their designee

CIO = Associate Vice President of Administration/Chief Information Officer

Vendor = Any individual or entity providing goods or services to the College that is not an employee of the College, a contracted faculty member, an applicant for a vacant employee position, or a student enrolled in the College.

Critical Vendor = Vendors that the College relies on immediately to be able to do business and cannot be easily replaced

High-risk Vendor = Vendors with access to confidential or sensitive College data

5. Procedural Steps

This SOP addresses two primary forms of control: vendor creation and maintenance, and contract creation and maintenance. Contract control is subordinate to vendor control: no PSA contract will be executed with an entity that is not a currently approved vendor.

All procurement from vendors must follow the procedures outlined in SOP FIN.016 and referenced related policies and procedures, with the following exceptions: vendors providing employee benefits; procurement card transactions; disbursement of taxes and other funds owed to governmental entities; and debt. All procurement commitments subject to SOP FIN.016 must be made with approved vendors. All vendor records are maintained by the Accounts Payable Technician in GP. In accordance with SOP FIN.016, certain PO's for services must be supported by a PSA; all executed PSA's will be maintained by the Purchasing Agent in Concord, referenced by PO number.

Vendor Management Procedures

1. Vendors may optionally be identified by requisitioners based on prompts on the Vendor Create Form as being a critical vendor or a high-risk vendor. The CIO will review and approve the classification and addition of all critical and high-risk vendors. Each of these classifications will require additional vendor management actions, as documented below.
 - a. New vendors coded as critical or high-risk may be required to provide appropriate additional information prior to contract execution by the College, including financial information (SOC 1), security attestations (SOC 2, summary security policy, other security attestation), business continuity information including SLA's for maximum downtime, incident response reporting responsibilities, and other relevant information. The CIO will determine what if any additional information is required.

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- b. The CIO will identify additional data breach indemnification contract language and/or additional general liability or cyber insurance coverage which may be required of any vendor coded as critical or high risk.
 - c. The services provided by each critical vendor will be identified by the CIO within the business continuity plans developed under Policy B2050 Data Security.
2. Vendors will be classified as a federal vendor at the PR level, based upon the account coding on the PR. Federal vendors are subject to additional policies and procedures as identified in Policy B3060 and related SOPs.

Contract (PSA) Negotiation and Approval Procedures

The Purchasing Agent will determine if a Request for Proposal or formal quotes from multiple potential vendors are required prior to proceeding with the steps below. A PR in excess of \$100,000 or a PR of any amount that is classified as a federal procurement will be reviewed by the Controller to determine if these additional procurement steps are required.

1. In accordance with SOP FIN.016, certain service PR's require PSA's. The Purchasing Agent will coordinate the review and approval process. The negotiation and finalization of PSA terms and conditions will involve multiple parties as indicated below:
 - a. Requisitioner – The requisitioner will hold primary responsibility for working with the vendor to develop a draft PSA, with the understanding that the requisitioner has no authority to finalize or approve the PSA.
 - b. Vendor – The vendor will propose draft PSA terms for all except contracted faculty services, which will use standardized College PSA terms. Vendors without draft terms will use a standardized College PSA format per the PSA Terms Checklist
 - c. Controller – The Controller will review all multi-year PSA's, all PSA's with vendors coded as critical or high-risk, and all PSA's over \$10,000.
 - d. CIO – The CIO will review all PSA's with vendors coded as critical or high-risk, and all PSA's coded as software or hardware related, or directly involved with data management.
 - e. General Counsel – The General Counsel will review all PSA's with vendors coded as critical or high-risk.
 - f. Purchasing Agent – The Purchasing Agent will review all PSA's to ensure full compliance with policies and procedures prior to submission for execution to the vendor and the President via Concord, AdobeSign, or wet signature. If a PSA involves federal funds, the Purchasing Agent will work with the Assistant Controller to ensure that all related federal procurement standards are being applied within the sponsored project agreement.
 - g. President – The President will execute all PSA's.
2. For all PSA's with critical or high-risk vendors, an additional Checklist will be maintained by the Purchasing Agent or Business Systems Analyst to ensure a complete review of contract terms. The checklist will include at minimum as items to be identified within the PSA language proposed by the vendor the following: incident response, right to audit, confidentiality, data governance, data backups (for SaaS), business continuity language, and other information as identified by the CIO. The CIO will review all such PSA's before they are presented to the President for approval on behalf of the College.
3. The draft PSA will be reviewed and finalized for routing by the Purchasing Agent.

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4. Only the President or his/her designee is authorized to execute a PSA on behalf of the College. It is the responsibility of the Purchasing Agent to ensure that no PSA is presented to the President for approval until all required review steps have occurred.

Contract Management Procedures

1. The Purchasing Agent will ensure that that the contract term dates and renewal terms agree with the PO terms and that contracts within 3 months of termination are reviewed with the requisitioner for required action.
2. The Purchasing Agent will ensure with the requisitioner that the vendor is providing satisfactory and timely services prior to renewal.
3. The Purchasing Agent will ensure that the contract file is maintained, complete, and contains a copy of the signed contract and all contract correspondence, inspections, records, memos and conversations with the vendor; the contract file will cross reference to GP records via the PO number.
4. Following the contract termination, the Purchasing Agent will archive the contract file, so that only active contracts are managed within the active section of Concord. The PO will be coded within GP to clearly indicate that a corresponding contract file exists within Concord.

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

Vendor Create Form

Vendor Direct Deposit Form

PSA Terms Checklist

[List any forms required for data entry into Concord]

7. Maintenance

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

8. Signature

Approved by
VP Administration/CFO

5.31.2024
Date

9. Distribution List

Internal/External

10. Revision History

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Revision Date	Subsection #	Summary of Changes	New/Cancellation/Replacement Procedure? (if applicable)	Approval Date
5.31.2024	2 and 4	Updated policy names and definitions		6.5.2024