



**Procurement and Materials Management  
Guidelines and Operational Procedures Manual  
September 2020**

## TABLE OF CONTENTS

	<b>Page</b>
<b>I. INTRODUCTION.....</b>	<b>3</b>
<b>II. OFFICE OF PROCUREMENT AND MATERIALS MANAGEMENT REPORTING DEPARTMENTS.....</b>	<b>3</b>
<b>III. DELEGATED PURCHASING AUTHORITY .....</b>	<b>4</b>
<b>IV. PURCHASING WITH SPONSORED FUNDS.....</b>	<b>4</b>
<b>V. AUTHORIZED PURCHASING METHODS.....</b>	<b>5</b>
<b>VI. AVAILABLE RESOURCES .....</b>	<b>5</b>
<b>VII. BID THRESHOLDS.....</b>	<b>6</b>
<b>VIII. TYPES OF SOLICITATIONS.....</b>	<b>7</b>
<b>IX. COMPETITIVE BID PROCESS.....</b>	<b>8</b>
<b>X. EXCEPTIONS TO BID PROCESS.....</b>	<b>9</b>
<b>XI. WAREHOUSE ORDERS.....</b>	<b>11</b>
<b>XII. PRINTING, COPYING, AND SIGNAGE.....</b>	<b>11</b>
<b>XIII. SERVICES INVOLVING UNIVERSITY FACULTY, STAFF, AND STUDENTS.....</b>	<b>11</b>
<b>XIV. SERVICES INVOLVING INDEPENDENT CONTRACTORS .....</b>	<b>12</b>
<b>XV. SALES/USE TAX .....</b>	<b>12</b>
<b>XVI. DELIVERY PROCESS.....</b>	<b>13</b>
<b>XVII. EQUIPMENT DEMONSTRATIONS .....</b>	<b>13</b>
<b>XVIII. FIXED ASSETS (EQUIPMENT).....</b>	<b>13</b>

## I. INTRODUCTION

Procurement of goods and services for the University must be conducted in an open and competitive environment to ensure that prices paid are fair and reasonable. Purchasing activities include obligations for proper transaction documentation, fiscal responsibility, ethical behavior, adherence to applicable law, and compliance with University policy.

The Procurement Office provides support to the University in the selection, acquisition, and use of goods and services by:

- a. maximizing the University's purchasing power by focusing on strategic sourcing and obtaining the best value;
- b. leveraging its expertise in contract negotiations and supplier management;
- c. streamlining processes to provide administrative efficiencies; and
- d. ensuring that purchases are made in accordance with the requirements of applicable State of Missouri laws, Office of Management and Budget Uniform Administration Requirements for Federal Awards, general University policy, and good business practices.

This Operational Policies and Procedures Manual has been prepared to assist all personnel in the procurement of goods and services for the activities of the University.

Closely following the policies and procedures as outlined in this manual will assure timely acquisition of goods and services and will provide a documented audit trail for review of procurement activities.

Failure to follow procedures will generally result in the following disciplinary actions; however, severity of infraction may warrant other or severe response:

1st Instance – Written warning to employee and copy to supervisor.

2<sup>nd</sup> Instance – Written warning to employee notifying suspension of spending permissions for 30 days, copy to supervisor, and copy to University Controller. Before spending permissions are granted, employee, supervisor, controller, and director of procurement and materials management will have a meeting to review policies and procedures.

3<sup>rd</sup> Instance - Written warning to employee notifying suspension of spending permissions for 90 days, copy to supervisor, copy to University Controller, and copy to Human Resources. Spending permissions may be permanently revoked.

## II. OFFICE OF PROCUREMENT AND MATERIALS MANAGEMENT – REPORTING DEPARTMENTS

### Procurement

Telephone: (660) 543-4001

Email: [procurement@ucmo.edu](mailto:procurement@ucmo.edu)

### Distribution Services

Telephone: (660) 543-4073 or (660) 543-4741

Email: [distribution@ucmo.edu](mailto:distribution@ucmo.edu)

### Print and Copy Center

Telephone: (660) 543-4484

Email: [print@ucmo.edu](mailto:print@ucmo.edu)

### III. DELEGATED PURCHASING AUTHORITY

To expedite purchasing functions, unless reserved to the Board of Governors or University President for decision under the University's Delegation of Authority Policy, BOG Policy 1.2.040, certain employees are authorized by the University to approve purchases up to specific spending thresholds. With this authorization comes the responsibility to comply with all established purchasing policies of the University of Central Missouri and any other requirements as determined by the primary procurement officer. Procedural and policy violations may result in removal of privileges at the discretion of the University President or Vice President for Finance and Operations.

#### BUDGET EXPENDITURE APPROVAL AUTHORITY

Limit	Approver
\$ 0.00 - \$ 9,999.99	Budget Manager
\$ 10,000.00 - \$ 49,999.99	Director/Department Chair
\$ 50,000.00 - \$ 99,999.99	Dean, AVP, Univ. Controller, Univ. Treasurer
\$ 50,000.00 - \$149,999.99	Vice President/Provost
\$150,000.00 - \$349,999.99	University President
\$350,000.00 and higher	Board of Governors - Upon receiving approval from the Board of Governors, execution of contracts and/or issuance of purchase order is delegated to the University President.

As to all UCM purchases:

- a. The Procurement Office is authorized to issue purchase orders to acquire goods and services. Purchase orders issued by other University employees are invalid and do not obligate the University. The Procurement Office will issue all solicitations and execute awards for purchases, unless an exception has been granted by the University President or Vice President for Finance and Operations.
- b. Staff members of the Procurement Office will not release a purchase order or issue a contract to a supplier either verbally or in writing until the order is reviewed and approved by personnel who have the authority at that level of commitment.
- c. Purchase orders or contracts must be issued prior to the shipment of a product or the delivery of a service.
- d. Suppliers are not authorized to commence work prior to the receipt of an authorized purchase order or contract.
- e. Invoices for goods or services provided without an authorized purchase order or contract require management review and approval prior to payment. UCM is not obligated to pay invoices for goods and services that have not been properly authorized. Individuals may be personally liable for contracts or invoices signed without authority.

### IV. PURCHASING WITH SPONSORED FUNDS

Contact the Office of Sponsored Programs for more information relating to a specific grant award. Additional terms and conditions may apply when using sponsored funds.

In competitive procurements, requirements for goods and services to be procured shall not contain features which unduly restrict competition. Awards will not be permitted with vendors that have been debarred, suspended, or otherwise excluded from or ineligible for participation in Federal assistance programs or activities. The Procurement Office is responsible for checking the Excluded Parties List System (EPLS) website prior to the approval any contracts or purchase orders of any amount.

## V. AUTHORIZED PURCHASING METHODS

- a. Business Procurement Card (BPC Card) – The University issued BPC card may be used for approved purchases up to \$1,000. Purchases may not be split into smaller segments to circumvent the expenditure thresholds.
- b. Requisition - A requisition is created in UCMarket for the purchase of any supply, equipment, good or service, regardless of the funding source. Once the requisition is submitted, it is automatically routed through approvals based on dollar amount and account code.
- c. Purchase Order – Upon receipt of an approved requisition, Procurement Office will review the requisition for accuracy and completeness. If there are any errors, the requisition will be returned to the requestor to correct and resubmit. If there are no issues with the requisition, the Procurement Office will create the purchase order and send to the vendor for processing.
- d. Contracts – The purchase of goods and/or services may require a contract. The department shall attach all applicable documentation to the requisition and submit for approval. If the vendor does not accept a purchase order, the department shall initiate the contract process by sending an email to [procurement@ucmo.edu](mailto:procurement@ucmo.edu) with a detailed description of the purchase and include all applicable documentation as an email attachment.

## VI. AVAILABLE RESOURCES

The Procurement Office will assist the department in determining the best approach to use for any particular purchase, which can be predicated on several factors, including specification complexity, total dollar amount, market conditions, economic forecast, etc. However, most purchasing processes depend primarily upon the availability of the good and/or service and the total dollar amount. Note: The Procurement Office has the sole authority in determining the final purchasing method for any item, regardless of its quoted price.

- a. UCMarket – UCMarket contains punch out catalogs for several vendors. The pricing for items in UCMarket has been procured competitively, thus departments can place orders without additional bidding requirements. The search feature in UCMarket allows departments to compare prices and add selected items to their cart. To purchase from a non-catalog vendor, the requestor can create a non-catalog order. If the vendor's name does not appear in the supplier drop down menu, please select New Supplier and proceed in creating the cart for approval. Note: If the vendor is not available in UCMarket, please download the Vendor Information Form and send to the vendor asking that they complete the form and return with their W9 to [procurement@ucmo.edu](mailto:procurement@ucmo.edu) so the procurement office can create a vendor profile for future use.
- b. University Contracts - The University has agreements with many different vendors for specified goods and services at negotiated prices. The procurement department can assist you in locating agreements that may fit your needs. All contracts must be reviewed by the Office of General Counsel prior to signing, unless a previously approved template is being used without change. Departments must notify the Procurement Office if the vendors are not charging the negotiated pricing or if the vendors are not providing satisfactory goods and services.
- c. Cooperative/Consortium Agreements – The Procurement Office may use purchasing agreements established by a cooperative agency or consortium provided that the contractual agreements are the result of a

competitive bidding process and approved by the Office of General Counsel. If departments are interested in a particular good and/or service that is offered through a cooperative agency or consortium, contact the Procurement Office to discuss the needs. Departments are not authorized to enter into agreements or utilize these agreements without approval from the Procurement Office.

- d. Contracting with Government Entity – The Procurement Office may contract with other state universities, state agencies, or government entities for goods and/or services provided directly by such entity without conducting a competitive solicitation process. If departments are interested in a particular good and/or service that is offered through a government entity, contact the Procurement Office to discuss the needs. Departments are not authorized to enter into agreements or utilize these agreements without approval from the Procurement Office.

The Procurement Office may participate in, sponsor, conduct, or administer a cooperative purchasing agreement to procure goods and/or services in accordance with a contract established by another government entity provided that such contract is in accordance with the laws and regulations applicable to the University.

Government entities are those who derive funding from a public tax base (i.e., federal agencies, cities, counties, public school districts, colleges and universities, etc.). Quasi-public government bodies as defined in 610.010 (4) RSMo are not included in this definition.

- e. State of Missouri Agreements – Missouri’s Office of Administration Division of Purchasing has established agreements with many vendors that are available to the University for the purchase of goods and/or services. If departments are interested in a particular good and/or service that is offered through a State of Missouri agreement, contact the Procurement Office to discuss the needs. Departments are not authorized to enter into agreements or utilize these agreements without approval from the Procurement Office.
- f. Car Rental Agreements – The State of Missouri has entered into an agreement with Enterprise Rent-A-Car for vehicle rentals. This agreement is only valid for rental of vehicles by University employees when conducting official University business.
- g. Hotel Agreements – The Procurement Office has established contracted rates with Comfort Inn, Best Western, Fairfield Inn, and Holiday Inn in Warrensburg, Missouri. Departments may reserve rooms directly with these hotels without further bidding.
- h. State Surplus – Authorized employees may purchase items from State Surplus with the approval of the Procurement Office.

## VII. BID THRESHOLDS

- a. **Less than \$1,000** – [UCMarket](#) is the first option for these purchases and if not available, then the BPC Card is the preferred method of payment for items except as limited by the BPC Card Manual.
- b. **\$1,000 - \$24,999.99** - These orders can be placed using [UCMarket](#). If items are not available from a punch out vendor, prepare a requisition, attach the quote(s) and submit for approval. Note: For best business practices, at least three (3) vendors should be contacted regarding the purchase. Attach the non-awarded vendor quotes to the internal notes and attachments section and the awarded vendor quote to the external notes and attachments. **The bidding process applies to construction related work.**
- c. **\$25,000 and higher\*** - These orders can be placed using [UCMarket](#). If goods and/or services are not accessible through one of the identified Available Resources (Section VI), then the department must complete the Solicitation Form to initiate the solicitation process. Refer to Section IX. COMPETITIVE BID PROCESS.

**\*Estimates exceeding \$100,000 require advertising.**

Note: The Office of Procurement will make the determination of whether to advertise if estimate is under \$100,000.

## **VIII. TYPES OF SOLICITATIONS**

- a. Request for Information (RFI) – The purpose of an RFI is to collect written information about the capabilities of potential vendors, seek clarification about available goods or services, or to solicit feedback and gain knowledge to assist in making a decision about the next step in procuring goods or services. Generally, price or cost is not required. An award cannot be made from an RFI. An RFP typically follows an RFI.
- b. Request for Quotation (RFQ) – An RFQ is utilized for all informal solicitations of prices for small dollar purchases. A request is sent to potential bidders along with a description of the goods and/or services needed and the potential bidders are to respond with their quotation by a given bid close date and time in order to be considered for an award. The Procurement Office will issue an award to the bidder whose response complies with all mandatory specifications and requirements of the RFQ and is considered to be the best value for the university, taking into consideration the quotation that best meets price, quality, delivery, service, past performance, and reliability.
- c. Request for Qualifications (RFQu) – An RFQu is a qualifications-based selection process. It is applicable to professional services such as architectural, engineering, or land surveying services. The intent of an RFQu is to allow the university to select the most qualified vendors. The Procurement Office generally awards multiple vendors. Price is not part of the evaluations but the University does have the opportunity to negotiate a fee with the selected vendor.

As a project is identified, the University shall then select the firm considered the best qualified and capable of performing the desired work and negotiate a contract for the project with the selected firm. For a basis for negotiations, the University shall prepare a written description of the scope of the proposed services. If the University is unable to negotiate a satisfactory contract with the first selected, which include terms and conditions and fees, negotiations with that firm shall be terminated. The University shall then undertake negotiations with the next qualified firm. If there is a failing of accord with the second firm, negotiations with such firm shall be terminated. The University shall then undertake negotiations with the third qualified firm. If the university is unable to negotiate a contract with any of the selected firms, the University shall reevaluate the necessary architectural, engineering or land surveying services, including the scope and reasonable fee requirements, and compile a list of qualified firms and proceed consistent with the provisions set forth in 8.285 to 8.291 RSMo.

Regardless of prior qualified parties, the University reserves the right to issue a solicitation for architectural and engineering services for any project.

- d. Invitation for Bid (IFB) – An IFB is a formal, competitive solicitation, which is sometimes referred to as a “sealed bid”. The solicitation document may include a Scope of Work/Scope of Services that details the specific goods and services the University is requesting. IFBs require a public opening conducted at the time and date specified within the solicitation. The responses received are evaluated for responsiveness and awarded by the Procurement Office to the lowest and best responsive bidder.
- e. Request for Proposal (RFP) – An RFP is used when competitive bidding is either not practical or not advantageous. RFP specifications are normally performance-oriented and describe a desired outcome rather than specific manner in which that outcome must be achieved, or presents an opportunity and invites a response thereto. An RFP is a multi-step process that considers more than price in making the award. The RFP usually requires that the offeror propose a solution to achieve the outcome desired in the RFP. When the responses to the RFP are opened, only the name of the offeror is revealed. The contents of the proposal itself

are not disclosed at the public opening or published through an electronic medium due to the potential to disrupt competitive negotiation. The RFP requires a sealed technical proposal to be evaluated independently from the sealed pricing proposal. After the evaluation of the proposals have been submitted to the buyer of record, competitive negotiations may be conducted with one (1) or more offerors who submitted potentially acceptable proposals. After completion of the competitive negotiations, best and final offers may be requested, submitted, and evaluated. The Procurement Office may issue an award to the offeror whose proposal (1) complies with all mandatory specifications and requirements of the RFP and (2) is the best value to the University.

## IX. COMPETITIVE BID PROCESS

Competitive bidding is the process that best allows the University to properly survey the marketplace and secure goods and services at fair and reasonable prices. It helps ensure that the University receives goods and services at the best value while also satisfying federal, state, and university requirements. **The Procurement Office is the authorized organization to conduct the competitive bid process for all purchases of \$25,000 or more, except as otherwise stated in Section X. EXCEPTIONS TO THE COMPETITIVE BID PROCESS.** For transactions less than \$25,000, departments may request the Procurement Office to conduct a competitive bid process.

- a. Bid Specification - Although the Procurement Office conducts the competitive bid process, University departments have responsibilities as well. Departments must consider annual or total multi-year expenditure for goods and services needed on a regular or repetitive basis and should plan to have established contracts re-bid at least every three to five years. Upon request, the Procurement Office will assist University departments with any of their responsibilities related to the competitive bid process.

Because of the time elements involved in the preparation of bid specifications, the bidding process and deliveries, pre-planning or lead-time is the most important consideration that must be given. It is to the department's advantage to plan ahead.

1. Submit Specifications - University departments must complete and submit the Solicitation Form to the Procurement Office and include the detailed specifications, performance standards, and/or scope of work of the goods or services needed. These items should be generic in nature to allow for sufficient competition in meeting them; they should neither reference nor be written specific to a particular brand, model or company. The Procurement Office reserves the right to make the final determination as to whether the specification restricts competition.

If a supplier's assistance is required to develop the bid specifications, that supplier may not submit a bid without approval of the Director of Procurement and Materials Management, and all materials gathered or prepared must be shared with all potential bidders. See [Procurement Quick Reference Guide](#) for more information.

2. Solicit Bids - Informed by the specifications that the University department provides, the Procurement Office develops and issues a Request for Information (RFI), Request for Quotation (RFQ), Request for Proposal (RFP), or Request for Qualifications (RFQu) to solicit bids from suppliers. Each supplier receives the same directions, information, terms and conditions. The Procurement Office only considers valid those submissions from suppliers that meet the bid requirements and are submitted by the specified deadline.

When possible, a minimum of three (3) competitive bids for each solicitation shall be obtained. A "no bid" response from a vendor may be counted towards the requirement for three (3) competitive bids provided that all "no bid" vendors could have reasonably been expected to submit a bid.



Advertisement of Solicitations – For procurement of goods and services valued at \$100,000 or more, the Procurement Office shall advertise for bids in at least two (2) daily newspapers of general circulation in such places that are most likely to reach prospective bidders at least five (5) days before bids for such purposes close. This type bid takes a minimum of four (4) weeks.

For procurement of labor and material necessary for the construction, renovation, or repair of improvements to real property, the costs of which exceeds \$100,000, the procurement office shall advertise as set forth in 8.250 RSMo.

Annual Wage Orders – All bids for construction, maintenance, and repair must comply with the requirements for Annual Wage Orders as stipulated in Chapter 290 RSMo. All work with a cost estimated to exceed \$25,000 requires a performance/material payment bond.

Minority and Women-Owned Businesses – The University must comply with all applicable laws, regulations, and executive orders affecting equal opportunity and nondiscrimination in the selection of contractors/vendors.

3. Evaluate Proposals - The Procurement Office will work with the university department to assess each proposal to determine which represents the best value to the University. An open and competitive purchasing environment requires that information related to the bidding process be kept confidential. University employees must conduct themselves ethically at all times. Suppliers may contact the Procurement Office to obtain bid results.

Preference to Missouri Goods and Firms – In making purchases, the University will endeavor to give preference to all goods manufactured, mined, produced or grown within the State of Missouri, and to all firms, corporations or individuals doing business as Missouri firms, corporations or individuals, when quality is equal to or better and delivered price is the same or less as set forth in 34.070 and 34.073 RSMo.

Applying the language set forth in 34.076 RSMo, the contractor or bidder domiciled outside the State of Missouri shall be required, in order to be successful, to submit a bid the same percent less than the lowest bid submitted by a responsible Missouri contractor or bidder for public works or product valued at \$5,000 or more as would be the same for a Missouri contractor or bidder to succeed over the bidding contractor or bidder in a like contract or bid in the bidding contractor's or bidder's domiciliary state.

4. Negotiate the Agreement and Make the Award - The Procurement Office is the only University department with the authority to negotiate procurement contracts. Department end users are not authorized to sign contracts. Only those individuals reporting directly to the University President have been given authority to sign contracts, as set forth in the Board of Governors Delegation of Authority policy.
  - b. Exemptions - Goods or services bought from internal service providers are exempt from these requirements since the transactions are internal to the university. Similarly, because the Procurement Office has already completed a competitive analysis for suppliers with University Contracts, it is not necessary to hold another competitive bid process for purchases from those contracts.
  - c. Split Transactions - The threshold amounts are based on purchases of similar items in a rolling 12-month period. It is considered a violation to split purchases into smaller segments to circumvent the annual expenditure thresholds.

## **X. EXCEPTIONS TO THE BID PROCESS**

a. Sole Source/Single Feasible Source – A sole source (single feasible source) exists when one or more of the following requirements are met:

- Supplies are proprietary and only available from the manufacturer or a single distributor; or
- Based on past procurement experience, it is determined that only one distributor services the region in which the supplies are needed; or
- Supplies are available at a discount from a single distributor for a limited period of time; or
- Compatibility or consistency with past acquisitions or goods and services is essential (i.e. avoiding additional one-time costs by awarding to another vendor); or
- Services that involve highly skilled judgment or training, artistic ability or other attributes and whose quality depends on the individual's expertise and knowledge.

All sole source (single feasible source) procurements valued at \$25,000 or more must be posted on the procurement website. Sole source (single feasible source) procurements valued at \$100,000 or more must be advertised in at least two daily newspapers at least five days before the contract is let. The posting shall include description of goods/services, contract period, supplier, and buyer contact information.

A sole source (single feasible source) procurement contract may be established for an initial contract period not to exceed 12 months.

The sole source (single feasible source) justification form must be sent to the Procurement Office with documentation explaining how the procurement meets the definition above of a sole source (single feasible source), the functionality of the good or service that makes it a sole source (single feasible source), and why the supplier is the only one that will meet the needs of the University, and documentation from the supplier.

A sole source (single feasible source) requires review and approval from the buyer of record and the procurement director. Examples include, but are not limited to the following:

- Repair parts and services, which are only available from the original manufacturer or sole distributor;
- Software maintenance, which is only available from the original manufacturer;
- Copyrighted books, publications, subscriptions, which are only available from the publisher or sole distributor;
- Examinations requiring interstate reciprocity, which are only available from the publisher or sole distributor;
- Direct advertising space or time that is intended to target a specific audience. This does NOT include advertising agency services and production services;
- Accreditation Fees;
- Honorariums (not fees) for convention and conference speakers and entertainers. An honorarium is a payment for professional services that are rendered nominally without demand.

b. Emergency Purchases – An emergency condition is defined as a situation in which there exists a threat to life, property, public health or public safety or when immediate expenditure is necessary to protect against

further loss of, or damage to, University property, to prevent or minimize serious disruption in University services or to ensure the integrity of University records.

A situation shall not warrant an emergency purchase unless; (1) an emergency condition exists, (2) the element of time is a crucial factor in seeking relief, and (3) the resolution of the condition received priority over routine operations and duties of the University. **Lack of planning does not constitute an emergency condition.**

Although an emergency procurement requires immediate action, emergency purchases shall be awarded to the best-valued vendor whenever reasonably possible to do so considering the conditions existing at the time.

The Procurement Office must be notified of such a situation in a timely manner. If it is deemed an emergency condition, the procurement office will conduct an RFQ, if time allows, or delegate to the requesting department the authority to solicit bids. If time does not allow for an RFQ, the procurement office will place an order immediately with a vendor or authorize the requesting department to place the order.

Purchase orders issued in an emergency must be accompanied by a brief description of the emergency situation. This documentation must be submitted to the procurement office by the requesting department.

- c. Utilities – The procurement of electricity, natural gas, water, or other utility services that are only available from one source.
- d. Retail Sales Departments – University departments where their primary operation is retail sales, including but not limited to the University Bookstore, Campus Community Health – Pharmacy only, and Pertle Springs Pro Shop, are exempt from the procurement processes. However, this exemption does not apply for all other procurements of items for direct use including but not limited to items for direct use, office supplies, technology – hardware and software; proper procurement processes should be followed.

## **XI. WAREHOUSE ORDERS**

The University's warehouse stocks 8 ½" x 11" copy paper, AA, AAA, C, D and 9V batteries, gloves, paper towels, hand sanitizer units, standing stations, and refills, and disposable masks for purchase. To purchase these items, a Banner requisition is required.

## **XII. PRINTING, COPYING, AND SIGNAGE**

All requests for printing must be directed to the Print and Copy Center. In the event the Print and Copy Center does not provide the type of work needed, or if the job for some valid reason is needed prior to the Print and Copy Center's capabilities to complete, a requisition must be submitted to the Procurement Office requesting the job be done off campus. Complete specifications detailing the printing requirements must be attached to your requisition. It is important to plan for your printing, copying, and signage needs, as lack of planning is not a valid reason for outsourcing. If the cost exceeds \$25,000, a bidding process must be taken into consideration.

## **XIII. SERVICES INVOLVING UNIVERSITY FACULTY, STAFF, AND STUDENTS**

Regardless of cost, if the individual providing the service is a current employee of the University, service performed outside of the regular scope of responsibility and/or duties may in exceptional circumstances be compensated in addition to the employee's regular rate of pay. The department(s) where the work is to be performed must contact the Office of Human Resources for procedural assistance and documentation of requisite

approvals regarding conflict of time or commitment. Payments will be made through the University's payroll office and payable on the first regular payroll date following the date services have concluded.

#### XIV. SERVICES INVOLVING INDEPENDENT CONTRACTORS

When consistent with guidelines established by the Internal Revenue Service, individuals contracted to provide a personal service for the University may do so on an independent contractor basis. Independent contractors are often described as persons engaged in occupations who contract to perform work according to their own methods, without being subject to the control of the contracting entity except for the result. The Internal Revenue Service examines the following factors in determining whether an individual is an independent contractor or an employee. These factors are guides to the primary question of whether the worker is in fact independent or subject to the control of the contracting entity.

- The extent of control that the contracting entity may exercise over the details of the work;
- Whether the worker is engaged in a distinct occupation or business;
- The kind of occupation, with reference to whether, in the locality, the work is usually done under the direction of the contracting entity or by a specialist without supervision;
- The skill required in the particular occupation;
- Whether the contracting entity or the worker supplies the instruments, tools, and place of work for the person doing the work;
- The length of time the work will take;
- The method of payment, whether by the time or by the job;
- Whether the parties believe they are creating an employment relationship or an independent contractor relationship.

A contract is required for all services provided by an independent contractor, regardless of the total expenditure, and information must be submitted to the Procurement Office in order to start the process. The services **cannot be provided** until the vendor profile has been created and the contract has been fully executed. Employees, on the other hand, are processed by Human Resources.

If the individual services of an independent contractor provided will cost \$25,000 or more, a competitive bid process is required. Note: Splitting purchases into more than one payment request to avoid the competitive bid process is strictly prohibited.

#### XV. SALES/USE TAX

The Missouri Department of Revenue has qualified the University for a sales and use tax exemption. To benefit from this exemption, purchases must be paid for by the University. This exemption cannot be used on purchases by individuals for their own personal use, nor can it be used by organizations, clubs, groups, etc. for purchases which payment will be made by other than University funds.

Some vendors will allow purchases to be made without charging Missouri sales/use tax, while others will require an exemption letter from the Department of Revenue.

## XVI. DELIVERY PROCESS

The responsibility of the Procurement Office is not complete when a purchase order is issued or a contract has been awarded. It continues until the vendor has fully performed under the contract/purchase order and has delivered the item(s) or performed the service(s) and all warranties and opportunities for recourse against the vendor have been provided and are complete.

All packages are to be delivered to Central Receiving 415 E. Clark Street, Bldg. B Warrensburg, MO 64093 unless otherwise authorized by the Director of Procurement. Packages are inspected for visible damage and processed for delivery to campus location. All trackable packages are tracked from arrival on campus to delivery at campus location.

- Packages that are under 50 lbs will be delivered within 24 business hours.\*
- Packages that are over 50 lbs or oversized will be delivered by FPO Setups.
- COD Packages are not accepted and will be returned to the vendor.

\*If no one is available to sign for the package, the package will be brought back to the Distribution Center and delivery will be reattempted on the next business day. A maximum of two attempts will be made and then the department will be sent an email notification advising that the package is available and ready to be picked up at the Central Receiving dock between the hours of 7:30 am and 4:30 pm.

Mail and package delivery schedules may be modified based on capacity and specific unit needs. For additional information, visit the website at <https://www.ucmo.edu/offices/procurement-and-materials-management/distribution-services/>.

## XVII. EQUIPMENT DEMONSTRATIONS

It is permissible for vendors to demonstrate equipment to department personnel. These demonstrations should, however, be held strictly at the convenience of department personnel.

If equipment is left in the department, it must be understood by all concerned that the vendor does so at his/her own risk. The University cannot and will not in any way assume responsibility for the equipment, other than to exercise normal and usual care. At the end of the demonstration period, if the equipment needs to be returned to the vendor, it is the vendor's responsibility to arrange for the return of the equipment at their own cost. If the vendor does not arrange for the equipment to be returned, the University will either utilize it for business operations or follow the surplus property disposal guidelines. **It is not acceptable for an individual to keep the equipment for their own use.**

It must also be made clear to the vendor by the department that the University will in no way commit to the purchase of the equipment and that the bidding process must and will prevail.

## XVIII. FIXED ASSETS (EQUIPMENT)

Definition of Fixed Assets - Non-expendable property, or fixed assets, are those assets for which a department has custodial responsibility and which possess the following attributes:

- Real or personal tangible property – must be a physical item, not insurance, lease usage changes, license agreements, test, or services;
- Useful life of more than one year;
- Cost (or estimated fair value if actual cost is not available) of \$5,000 or more at the time of acquisition.

### **Department’s Responsibility of University Property**

Each department’s budget manager is responsible for:

- All property and equipment purchased, donated, or constructed for and assigned to the department regardless of its cost or value;
- Verifying and correcting all information related to the department’s equipment inventory listing;
- Establishing and maintaining records and controls for sensitive or easily pilfered equipment, which are not inventoried (tagged).

### **Tagging Procedures for Fixed Assets**

All fixed assets whether obtained by direct purchase, donation, or other means are required to be tagged with a “Property of UCM” bar code label.

Equipment will be tagged so that the bar code label is in a conspicuous place for inventory purchases. If an item cannot be tagged due to size or use, a bar code number will still be assigned to the item. Property control will enter the tagged equipment information (i.e. acquisition date, inventory number, serial number, and building and room location) into the Banner system.

### **Inventory Procedures for Fixed Assets**

The importance of having a complete and accurate accounting of fixed assets cannot be over-emphasized. Accounting procedures and records for fixed assets are essential for financial reporting and the protective custody of University property. The value of fixed assets for all departments is substantial and the responsibility of stewardship involved in safeguarding such investment is of utmost importance.

Inventory records must be maintained on all fixed assets. This inventory necessitates that property tags be placed on all fixed assets by the Property Control Office.

Property Control will schedule annual inventory verifications with departments. Departments will be required to identify equipment items to be added that are not presently on their departmental inventory. These potentially could be items that may have been reported missing by another department or omitted during the tagging process. If applicable, Property Control will forward a missing equipment (items not accounted for) listing to departments after the inventory verification. Departments must account for/locate the missing equipment within 30 days. If after 30 days, a department has not accounted for the missing item(s), Property Control will provide notification to the appropriate Dean or Vice President indicating the item(s) to be reported as missing (lost) on the departmental inventory. Such report will be available for President and Board of Governors’ review.

Audits will be made on the inventories reported. It is extremely important that some type of departmental control be maintained on the location of all inventoried items. Such controls will not only facilitate an audit, but will also make future inventories easier for departmental personnel. For auditing purposes, care should be exercised in keeping records of circumstances surrounding missing property. A complete and accurate inventory must be taken.

## Commonly Used Account Codes

<u>Equipment meeting Fixed Asset requirements</u>		<u>Equipment NOT meeting Fixed Asset requirements</u>	
Acct #	Description	Acct #	Description
740110	Agricultural Equipment	750900	Equipment Expense <\$5,000
740120	Aircraft and Aircraft Equipment	750904	Agricultural Equip. <\$5,000
740130	Athletic Equipment	750908	Aircraft Equip. <\$5,000
740135	Audio Visual Equipment	750912	Athletic Equip. <\$5,000
740140	Automobiles and Auto Equipment	750916	Audio Visual Equip. <\$5,000
740150	Computer Equipment - Desktop	750920	Automobiles & Auto Equip. <\$5,000
740160	Computer Equipment - Non-Desktop	750924	Computer Equip.-Desktop <\$5,000
740170	Computer Equipment - Cross Platform	750928	Computer Equip.-Non-Desktop <\$5,000
740180	Computer Software	750932	Computer Equip.-Cross Platform <\$5,000
740190	Copier Equipment	750936	Computer Software <\$5,000
740200	Electronics	750940	Copier Equip. <\$5,000
740210	Food Service Equipment	750944	Electronics Equip. <\$5,000
740215	Health Services Equipment	750948	Food Service Equip. <\$5,000
740220	Housekeeping Equipment	750952	Health Services Equip. <\$5,000
740230	Laboratory or Shop Equipment	750956	Housekeeping Equip. <\$5,000
740240	Laundry Equipment	750960	Lab/Scientific Equip. <\$5,000
740250	Musical Equipment	750964	Musical Equip. <\$5,000
740260	Office Furniture and Equipment	750970	Office Furniture & Equip. <\$5,000
740270	Physical Plant Equipment	750972	Physical Plant & Equip. <\$5,000
740280	Printing and Publishing Equipment	750976	Printing & Publishing Equip. <\$5,000
740290	Radio or Communications Equipment	750980	Radio/Comm Equip. <\$5,000
740300	Residential Equipment	750984	Residential Furnishings <\$5,000
740305	Scientific Equipment	750988	Television Equip. <\$5,000
740310	Television Equipment	750992	Telecomm Equip. <\$5,000
740320	Telecomm Equipment	750999	Other Equipment <\$5,000
740330	Other Equipment		

### **Transfer of Fixed Assets (Equipment) and Other Property**

A University department may transfer property or fixed assets (tagged equipment) to another University department.

If the transferred item(s) **is not a tagged fixed asset and** there is an **exchange of funds involved**, an Interdepartmental Transaction (IDT) form shall be completed and forwarded to Accounting Services.

If the transferred item(s) **is not a tagged fixed asset and** there is **no exchange of funds involved**, the departments involved in the transaction may handle the transaction informally without notification to Accounting Services.

If the transferred item(s) **is a tagged fixed asset and** there is **an exchange of funds involved**, an IDT form shall be completed and forwarded to Accounting Services.

If the transferred item(s) **is a tagged fixed asset and** there is **no exchange of funds involved**, the departments involved must update their respective equipment inventory.

Once a department determines the equipment or property will not be transferred intra or interdepartmentally and there is no longer a need for it within the department, the item(s) must then be declared surplus as addressed in Disposal of Surplus Equipment/Property. See Disposal of Technology Equipment for disposal of technology related items.

### **Personal Use of University Equipment/Property**

The removal of University equipment/property without authorization is prohibited. Equipment/property may be taken off-campus only for use in direct relation to University business. Authorization for off-campus use requires written approval by the department head. For long-term, or regularly occurring off-campus use, see the University's Telecommuting Policy.

When approval is granted, the department having ownership must keep on file, until such time as the item is returned, the following information:

- Date property was removed from campus
- Inventory tag number, if applicable
- Complete description of property
- Name of person using property
- Date property is to be returned to campus

The individual removing the property will be wholly responsible for the care and return of the property to the University department and may be personally liable for the cost of replacement of damaged or lost property.

### **Theft of Fixed Assets (Equipment) and Other Property**

A theft of fixed assets or of other University property must be immediately reported to the Public Safety Department by the department which had custody of the equipment or property. If after ninety days, the tagged equipment has not been recovered, it will be retired from the department's equipment inventory by the Property Control Office upon receipt of the police report from the Public Safety Department.

### **Disposal and Acquisition of Surplus Property/Equipment**

Surplus property is any tangible supplies, materials, or equipment for which the University has acquired ownership by means of purchase, donation, dedication, transfer, exchange or any other lawful means, which is no longer needed by the department.

Disposal of surplus property must be made through the Property Control Office. For additional questions, please contact the Property Control Manager at 660-441-9002.

The policy of declaring property surplus in lieu of using as a trade-in is in force. Exceptions to this policy requires specific approval of the University's Procurement Office.

Once a department determines property, other than technology, is surplus and a trade-in is not possible, a [Declaration of Surplus Property \(DSP\) form](#) must be completed and forwarded to the Property Control Office. It is highly suggested that the department retain a copy of the form for their records. It is imperative that all



declared surplus property be itemized on the DSP form, as FPO Setups personnel will not pick up items not listed on the form. Property Control sends a copy of the DSP form to FPO Setups for those instances when this service is required. TECHNOLOGY EQUIPMENT SHOULD NOT BE INCLUDED ON THE DSP FORM. There is a separate form for disposal of technology equipment.

The FPO Setups personnel will pick up the declared surplus property and deliver to the Hale Lake Road property location or other designated location.

Property control maintains a listing of such property and the property is available to departments only on a first come basis, at no cost to the department. Departments may also make an appointment with Property Control to view the surplus items at any time.

Surplus property that is not redistributed to another University department will be disposed of by the Property Control Office. The Property Control Office will determine the best method to dispose of the property, i.e. public auction, sealed bid, sell to another public entity through negotiation, etc.

Proceeds from the sale of University owned property less expenses, will be credited to the appropriate fund in accordance with the formula listed below. Sale proceeds from scrap/salvage or other than auxiliary owned property may be retained in the Surplus Property fund for operational costs. In extenuating circumstances, an exception may be permitted.

SALE AMOUNT

\$ 0.00 - \$ 99.99: formula credit 0%  
\$ 100.00 - \$ 4,999.99: formula credit 80%  
\$ 5,000.00 - \$ 9,999.99: formula credit 85%  
\$10,000.00 - \$14,999.99: formula credit 90%  
\$15,000.00 and over: formula credit 95%

**Disposal of Technology Equipment**

UCM technology equipment cannot be recycled, donated, disposed, or purchased by department personnel. All technology items must be surplus through the Office of Technology. Technology related items include, but are not limited to Computers, Tablets, Cell Phones, Copiers, Multi-Function Devices, etc.

A computer hard drive contains licensed software, and in some cases, user data which may also be copyrighted and legally private. Allowing this “soft” material to be released from its original owner has a high potential for liability to the University. With university-owned equipment, disposal of equipment must adhere to, applicable data destruction requirements.

Contact the Technology Support Center at (660) 543-4357 or [tsc@ucmo.edu](mailto:tsc@ucmo.edu) to start a work order. Once the department has received the work order number, a Technology Equipment Surplus Form will need to be completed. It is highly suggested that the department retain a copy of the form for their records. It is **imperative** that all declared surplus property be itemized on the Technology Equipment Surplus Form and that the department list only technology related equipment on this form. The completed, signed form will be picked up by the Office of Technology. The Office of Technology will work with Property Control regarding disposal of surplus equipment/property. If you have any questions, please contact the Technology Support Center at (660) 543-4357 or [tsc@ucmo.edu](mailto:tsc@ucmo.edu).

For additional questions, please refer to the [procurement website](#) or contact the Procurement Office at (660) 543-4001.