



Oregon State
UNIVERSITY

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Date: December 18, 2006

To: Deans, Directors and Department Heads (Unit Administrators)

From: Kelly Kozisek, Procurement Supervisor

CC: Tri Schodorf, Accounts Payable
Rich Arnold, Accounts Payable

Attachments: Purchasing Authorization Thresholds
Purchasing Authority Guideline
Departmental Requisition

RE: Procurement Guidelines

As the result of a routine audit conducted early in 2006, Oregon University System Internal Audit Department (IAD) has made recommendations concerning the strengthening of internal controls over delegated purchasing authority within OSU departments. In response to these recommendations Procurement and Construction Contracting (PaCC) has worked closely with Accounts Payable to develop the attached Purchasing Authority Guidelines and Purchasing Authorization Thresholds.

It is important that Unit Administrators authorize appropriate, qualified personnel to acquire goods and services on behalf of their department. The Purchasing Authority Guidelines and Purchasing Authorization Thresholds provide guidance in how Unit Administrators designate internal purchasing authority at the departmental level. Unit Administrators shall utilize these documents along with their personnel position descriptions when assigning purchasing authority within their department.

Effective January 2, 2007, Unit Administrators shall utilize the Purchasing Authority Guidelines and Purchasing Authorization Thresholds. In utilizing these documents, departments will *no longer be required to complete and maintain the Procurement Profiles*. While this transition will no doubt represent a welcome reduction in departments' personnel time spent completing, signing and updating Profiles, it by no means minimizes the importance of careful consideration and use of the guideline documents when assigning purchasing duties internal to the department.

To ensure compliance on a centralized procurement level, signatures on Departmental Requisitions will be reviewed carefully by the PaCC analysts. Any Departmental Requisition that contains signatures of individuals deemed inappropriate will be returned to the department along with a memo stating the reason for return. Example: A Departmental Requisition for a \$100,000 purchase including only a Graduate Student or Office Specialist I/II signature on would be considered inappropriate. Departmental Requisitions requesting purchases at this dollar level shall be signed by the department's Dean, Director or VP. It is important that the Departmental Requisitions are completed in compliance with the guidelines or else purchases may be held until appropriate signatures are obtained.

We hope that the Purchasing Authority Guidelines and Purchasing Authorization Thresholds serve as a useful tool for your department. We appreciate your assistance in helping OSU

operate in accordance to the rules that govern the university and act as responsible stewards of Oregon's tax dollars and granting agencies appropriated funds. If you have any questions, please contact Kelly Kozisek by telephone at 7-2067 or via email at Kelly.kozisek@oregonstate.edu