

PURCHASING AUTHORITY GUIDELINES

(rev. 4/11/07)

It is important that OSU Deans, Directors, and Department Heads delegate the authority to purchase, and in some cases, approve, purchases of goods and services to appropriately qualified departmental staff. Just as the departmental administrators are responsible for their budgets, they are also responsible for authorizing the appropriately responsible personnel to acquire goods and services on behalf of their department.

Purchasing Authority:

“Purchasing Authority” means the authority delegated to OSU staff by administrators to purchase goods and services for the department for those purchases valued under \$5000 (departmental delegated authority) and to initiate and request purchases for those goods and services totaling greater than \$5000. Remember that purchases over \$5000 must be requested on a Departmental Requisition and sent to Procurement and Contract Services PaCS). PaCS will ensure that the purchase is in compliance with all OSU purchasing policies and state procurement law. PaCS will then generate a Banner Purchase Order and place the order with the vendor. Be advised that “Purchasing Authority” does not mean “Contract Signature Authority”. Contract Signature Authority is very limited and described in PCC 101-03 Signature Authority at <http://oregonstate.edu/dept/budgets/PCCManual/PCC101-03.htm>.

The university has developed the following guidelines for administrators to utilize when designating purchasing authority to their employees. When designating the authority to make purchases it is important to consider the designee’s position description, the tasks described therein and the level of responsibility that person holds within the department. These guidelines apply to the procurement of goods and services and do not apply to travel, construction contracting, or personal services contracts.

Segregation of Duties:

Administrators should structure the entire function and cycle of procurement so that purchasing, receiving and approving purchases are adequately segregated. These duties should be divided among departmental personnel so that there is a distinct separation of those duties. Separating the functions within the cycle of procurement will provide a series of checks and balances of all facets of purchasing. It is important that Administrators are aware of the purchasing function within their department and provide oversight and review of this function, ensuring the continued separation of purchasing duties.

Travel: Administrators shall ensure that personal and travel purchases are approved by persons who are of the same or higher rank than the person for whom the expense is incurred. Policies applicable to travel are located at <http://oregonstate.edu/dept/budgets/TRAManual/TRA101.htm> in the OSU Travel Policies and Procedures Manual.

Purchases Between \$0-\$4,999.99:

These purchases fall within the department’s delegated authority as stated in PCC 101-01 Authority <http://oregonstate.edu/dept/budgets/PCCManual/PCC101-01.htm> and should be done in a manner consistent with PCC 301 Preferred Purchasing and Payment Methods for Small Dollar Purchases (Procurements Under \$5,000) <http://oregonstate.edu/dept/budgets/PCCManual/PCC301.htm> . Persons in charge of initiating these purchases are typically research assistants and office support staff. It is not advisable to allow undergraduate students to make any purchases on behalf of the department. Purchase and payment approval should be made by a higher level of authority such as an office manager, fiscal coordinator or higher level of accounting staff such as an Accountant I or II. While data

entry of Banner invoices may be performed by students, students are not allowed to *approve* invoices in Banner.

Purchases Between \$5,000-\$24,999.99:

Purchases within \$5000 and \$24,999.99 should be initiated by appropriate designees such as research assistants, graduate assistants, and office support staff. Departmental Requisitions should indicate approval of the purchase by signature of the Department Head, Staff Chair (Extensions) or unit administrator.

Purchases Between \$25,000 and \$49,999.99

The same guidelines apply as with the purchases between \$5,000 and \$24,999.99.

Purchases Between \$50,000 and \$74,999.99:

Purchases within \$50,000 and \$74,999.99 should be initiated by appropriate designees such as research assistants, graduate assistants, and office support staff. Departmental Requisitions should indicate approval of the purchase by signature of the Dean or Director.

Purchases Between \$75,000 and \$99,999.99:

The same guidelines apply as with the purchases between \$50,000 and \$74,999.99.

Purchases Between \$100,000 and \$499,999.99:

The same guidelines apply as with the purchases between \$50,000 and \$74,999.99.

Purchases Between \$500,000 and \$999,999.99

Purchases within \$500,000 and \$999,999.99 should be initiated by appropriate designees such as research assistants, graduate assistants, and office support staff. Departmental Requisitions should indicate approval of the purchase by signature the Dean or Director. All purchases over \$500,000 also require review and written approval by the Procurement Manager and may require additional approvals as appropriate.

Purchases Over \$1,000,000:

Purchases over \$1,000,000 should be initiated by appropriate designees such as research assistants, graduate assistants, and office support staff. Departmental Requisitions should indicate approval of the purchase by signature of the Dean or Director. All purchases over \$1,000,000 also must be reviewed and signed by the Director of Business Services, and the Director of Business Affairs as well the Vice President for Finance and Administration or the Vice Provost of Academic Affairs.