

# Basic Procurement 101

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- Procurement Services – Training  
Basic Procurement Guidelines



# Agenda

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- **Our Mission**
- **Our People**
- **Procurement Services- Website**
- **What to Buy?**
- **Checking your Budget**
- **Procurement Decision Tree**
- **Methods of buying**
- **Purchasing Guidelines**
- **Selecting a Vendor**
- **Obtaining Estimates/Quotations**
- **PSC – When to use Personal Services Contract**
- **Department Responsibilities/SAP Tips**
- **Best Practices Guidelines /Q & A**

# Our Mission

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We provide professional purchasing services to meet the needs of the academic and administrative departments of the university in a timely manner at the lowest possible cost.

We assure university and individual compliance with Kentucky's Model Procurement Code and all other applicable statutes, administrative regulations, state and university policies. We conduct ethical business practices by providing equal treatment to all providers of goods and services.

# Our People

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Director Procurement Services:	Blaine Gilmore	859-572-6449
Associate Director Procurement Services:	Holly Vasquez	859-572-5171
Specialist Procurement Services:	Betty Castle	859-572-5267
PCARD Program Coordinator:	Lisa Koors	859-572-5266
Coordinator, Contracts & Bidding:	Ryan Straus	859-572-6605



# Procurement Services

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Visit our website to find helpful purchasing information:

<https://inside.nku.edu/procurement.html>

- Forms
- Online Tutorials
- Vendor Registration
- Quick Links
- Personal Services Contracts
- Adobe Software/ IT Cloud Services
- Procurement Procedures and more

# What to buy

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- **Commodity:**

A tangible product or good.

- **Service:**

An intangible function provided, such as providing maintenance or repairs.

# Check your budget

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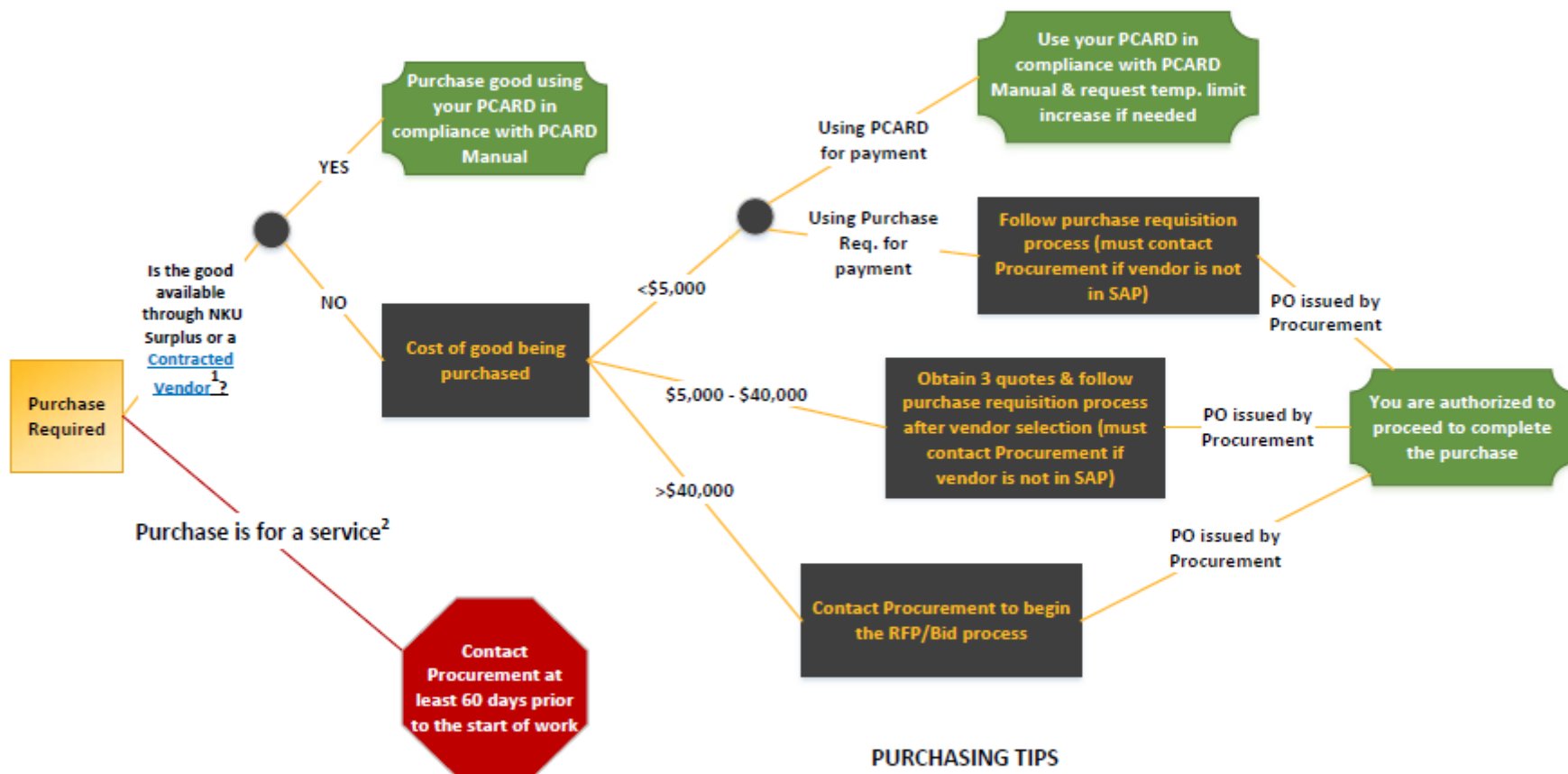
- You must have enough money in your account to make a purchase, check to verify.
- Cost Center is the 8 digit number assigned to your departments Budget, could also be a grant or an internal order number.
- Money can be transferred from one account line to another. This process is called Budget Transfer.
- Budget Transfers allow you to move money from one account line to another within the same fund.
- Contact the Comptroller's Office x5263 to inquire about Budget Transfer process.

ALL NKU purchases **must** comply with Kentucky Model Procurement Code [KRS 45A](#).



ALL non-PCARD purchases **must** have a Purchase Order (PO) issued by Procurement Services **PRIOR** to the purchase.

ALL PCARD purchases **must** comply with policies found in the [PCARD manual](#).



<sup>1</sup> Contracted Vendor examples include:

- BARNES & NOBLE
- STAPLES
- AMAZON
- ABS
- CHARTWELLS
- ENTERPRISE RENTAL CAR

<sup>2</sup> Definition of Service:

Any professional or general service work performed which does not result in the delivery of goods or materials. Examples include, but are not limited to: repairs, training, consulting.

### PURCHASING TIPS

- If you have any questions regarding the purchasing process, contact Procurement at (859) 572-5265 or by clicking [here](#).
- Allow adequate processing time. Contact Procurement at least **60** days prior to the start of work or the purchase.
- Consider Purchase Order or Contract needs during budget planning.
- All contracts **MUST** be reviewed by Legal Affairs.
- Contracts can only be signed by those with signing authority.



# Methods for buying

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## 1. NKU PCARD

- Single Transactions up to 1K – single transactions can be increased
- Obtain goods/services from best source
- Use Price Contracts
- Follow PCARD Procedures
- PCARD Reconciliation
- Reminder, do not use NKU PCARD to pay for NKU registration fees, parking or theater tickets: Use a IB form.
- Do not use the PCARD to pay for contract services

## 2. SAP Requisitions

- Obtain quotes- Refer to Procurement Decision Tree. Attached all quote to PR.
- Check for vendor
- Complete requisition in SAP
- Requisitions review in Procurement Services

# Method for buying – SAP

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## SAP Requisitions

**Order(s) or services can not take place until a vendor is sent a purchase order**

- Obtain quotes- Reference Procurement Decision Tree
- Check for vendor
- Complete requisition in SAP
- Attach all relevant documents. (Quotes and Contracts)
- Requisitions reviewed in Procurement Services once purchase has been released from workflow.

# Purchasing Guidelines: Vendor Selection

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**Purchase from NKU Price Contract vendors when possible.**

**Those include:**

- STAPLES Business Advantage
- Computers – Contract with Dell & Apple
- Barnes & Noble
- Chartwells
- Enterprise Car Rental
- Amazon Business
- Promotional Items

Reis Promotions – (859) 283-1513 | <http://reispromo.com/>

Associated Premium Corp - (513) 679-4444, ext. 126 | <https://www.associatedpremium.com/>

American Solutions for Business – (869) 638-8881 [www.americanbusnku.com](http://www.americanbusnku.com)

- Hotel/Lodging

**NOTE:** List is not all-inclusive, contact Procurement Services before making purchases.



# Purchasing Guidelines:

## Allowable Purchases on the **NKU PCARD**

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- Office Supplies (through STAPLES)
- Dues and Subscriptions
- Bookstore Purchases
- Memberships(professional organizations only)
- Shipping Charges
- Meals(including a tip from 10% - 15% for candidate recruitment (one university host and candidate))
- Rental vehicles and gas for rental vehicles
- Small appliances(energy star rating)
- Registration Fees
- Catering Services (Chartwells)
- Business Meals with Agenda(only with Dean/V.P pre-approval)
- Travel- car rental, airline, hotels,
- **NOTE:** do not use PCARD for Meals during travel

**NOTE:** List is not all-inclusive, contact Procurement Services before making purchases.

# Purchasing Guidelines:

**NOTE:** Not a complete list, contact Procurement Services before making purchases.

## NKU PCARD NON-ALLOWABLE PURCHASES

### NON-ALLOWABLE PURCHASES ON THE NKU PCARD

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| <ul style="list-style-type: none"><li>❖ Any transaction that violates the PCARD manual and/or university policy or procedure</li><li>❖ Donations to charitable organizations</li><li>❖ Travel and travel-related expenses (unless the cardholder has travel privileges)</li><li>❖ Gift card(s) (You can request gift cards by contacting Procurement Services)</li><li>❖ Services subject to <u>Personal Service Contracts</u> (consultants, legal services, etc....)</li><li>❖ Purchases requiring a vendor contract</li><li>❖ Holiday cards, flowers, cakes or other purchases for personal events (ie baby showers, wedding showers, birthdays, etc....)</li><li>❖ Payment of parking tickets</li><li>❖ Buying products from a source other than NKU's price contracted vendors</li></ul> | <ul style="list-style-type: none"><li>❖ Apple (Macs, iPads, etc....) or Dell products</li><li>❖ Construction trade work</li><li>❖ Personal purchases and items for personal use*</li><li>❖ Gifts for students, faculty and staff</li><li>❖ Printing</li><li>❖ Gasoline for privately owned vehicles</li><li>❖ Payment of tuition, student fees or the purchase of books for any student (Contact Student Financial Aid Office)</li><li>❖ Meals when traveling</li><li>❖ Travel upgrades such as seat upgrades, room service, hotel gym or laundry services, movies, tours, special requests and any food or beverage while traveling</li><li>❖ NKU parking permits</li><li>❖ Splitting a purchase to circumvent transaction limits</li><li>❖ Data plan costs</li><li>❖ Software purchases</li></ul> |
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# Setting up a new Vendor

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- Is the Vendor registered with NKU?
  - Check in SAP for vendor number
  - Invite the vendor to PaymentWorks
  
- Faculty, Staff or Students are not set up in PaymentWorks
- Student setup form
- Employee setup form

# Estimates/Quotes

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- Obtain estimates and quotes
  - Itemized listing of items/services and their costs.
  - Tax should not be included. Sales tax exemption forms available in the Procurement office.
  - Valid estimates/quotes are within 30 days.
  - Must be received via letter, email or fax.
  - Procurement Services can assist with obtaining estimates & quotes.

# PSC- When to use a Personal Service Contract

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- A PSC should be used when you are purchasing any kind of professional services (ie: consultants, legal, CPA, architects, engineers, grant writers, etc).
- A Speaker/Entertainment Contract should be used for speakers, entertainers, trainers, workshop presenters, or meeting facilitators.
- There are many statutory requirements for PSC's. Contact Procurement Services before you have any vendor begin work. Please contact Procurement Services for questions.
- Additional information and forms are available on the Personal Services Contract page of our website at <http://procurement.nku.edu/Personalservicecontracts.html>



# Department Responsibilities

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- Resave “held” requisitions to take off hold.
- Complete receiving in SAP for all items received.
- Enter GR’s as soon as items are received so vendors get paid on time.
- Forward Original Invoices to the Accounts Payable department.
- Review PO’s monthly/notify Purchasing of PO’s that need to closed.
- Report June 30 payables to Purchasing.

# SAP – Tips for Success

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- DO NOT make changes to requisitions after a PO# has been assigned. Contact Purchasing.
- ALWAYS enter quote #'s in header text and attach quotes and contracts. Include drawings for furniture.
- Are you making a payment or placing an order? Use header text to COMMUNICATE.
- Use TCode ZME2K to run a list of open PO's that need GR's or invoices.
- Don't confuse invoices with quotes. A/P cannot pay from quotes.

# When Making a Purchase – Best Practices Guidelines

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- Planning – think about what is needed, contact Procurement Services to assist with the purchase or project before making the purchase.
- Specifications – What do we really need, what can we do without.
- Do we need prior/VP approval for the purchase.
- Get quotes.
- Do we have a contract on file for this vendor? (Univ., State, GSA, E&I)
- Buy from local vendors/invest in our communities.
- Is the purchase a conflict of interest?
- Is the purchase a good use of our state monetary funding?
- Is a PSC contract needed for this service?
- Follow the discretionary spending policy listed on Procurement’s website.
- **Reminder:** The only people authorized to sign a contract on behalf of NKU is the **President, VP, or Procurement**. If you sign a contract you could be held personally liable to the terms of the contract.
- Whenever in doubt about a purchase **ASK** Procurement Services.

Contact Procurement Services for any questions you have regarding purchases. Thank You!

