

<b>University Of Massachusetts Lowell</b>	
<b>Date: July 01, 2001</b>	<b>Section:1.1</b>
<b>Subject: Purchasing Policy Trustee Doc. T92-031, as revised (Appendix A)</b>	

In accordance with the provisions of Section 3 and Section 13 of Chapter 75 of the General Laws, as amended, all purchases irrespective of source of funds under the provisions of said Section 13 shall be governed by this document subject to subsequent amendment, revision, or repeal, from time to time, by the Trustees. This policy shall also apply to agreements or franchises for the use of or access to University premises or facilities.

**I. Definitions**

Operational Services: Those services that are required for the routine operation of the University or maintenance and repair of University property or facilities but that cannot be provided by University employees and are instead provided by independent contractors. Operational services are to be distinguished from Consultant Services of a professional advisory nature, which are governed by the provisions of Appendix D.

**II. Policy**

General Bid Requirements

The University shall obtain all supplies, printing, equipment, and other property at the lowest cost to the Commonwealth and the University as is consistent with the quantity, quality, durability, availability, serviceability, and other factors affecting service and use as required by the using department of the University. In complying with this policy, the cost of acquisition and the delivery time required shall be considered as well as the cost of the item being purchased.

Advertisement for and receipt of competitive bids shall be used whenever practicable, or when required by law. Invitations to bid shall be posted on a publicly displayed bulletin board at the respective University campus, and when deemed desirable, or as required by law, may be advertised in newspapers and trade journals in the state.

Bid forms and specifications shall be drawn on a basis to encourage open competition; provided, however, that the specifications shall be written so as to assure the quality and features needed by the using departments of the University. Provisions may be made for the submission of samples

that may be examined, tested, and analyzed to determine if they meet the specifications.

Provisions shall be made for maintaining a list of all persons and firms who wish to bid on University purchases and the classes of items on which they have requested permission to bid. Invitations to bid shall be sent to all who have asked to be placed on the list and to such others as may be determined necessary to stimulate competition.

When practicable, requisitions and orders shall be grouped to take advantage of quantity discounts.

The University's commitment to the principle of Affirmative Action shall be applied to purchasing with the objective of achieving and fostering greater minority and women-owned business enterprise participation in University procurement activity and encouraging socially or economically disadvantaged business owners to respond to invitations to bid on University business.

#### Exceptions to bid Requirements

- a. Subject to provisions of Section 13 of Chapter 75 as amended, the purchase of supplies and other property without advertising and competitive bids shall be limited to:
  - i. Orders five thousand dollars (\$5,000) and under in value;
  - ii. Those cases where competitive bidding would be impracticable;
  - iii. Emergency situations

(See part two for dollar limits.)
- b. The purchase of any Labor and Materials Construction project without advertising and competitive bids shall be limited to ten thousand dollars (\$10,000) and under, and shall further comply with the provisions of any applicable Massachusetts General Laws.
- c. Contracts for Operational Services (not to be confused with Consultant Services – See Appendix D) shall be subject to competitive bidding whenever practicable, when the projected fee is more than twenty-five (\$25,000) or shall require sole source justification.
- d. For Purpose of administration of this policy, each campus may determine within the established ranges, outlined within this section, its own dollar limit on purchases requiring a bidding procedure.

### **III. Purchasing Administration**

No person is authorized to obligate the University without encumbering, in advance, sufficient funds to meet the obligation.

The Vice President for Management and Fiscal Affairs and Treasurer, under the direction of the President, is designated as the officer of the University responsible for formulating and maintaining guidelines to implement these policies.

Each campus shall be responsible for maintaining a central procurement department.

The President shall appoint a Purchasing Council consisting of the directors of the campus Procurement/Purchasing Departments which shall meet at least annually to discuss system-wide procurement issues and to maximize economies through cooperative efforts when possible. The Board of Trustees encourages the continued use and expansion of the mission of the Massachusetts Higher Education Consortium.

Each Chancellor may delegate responsibility for procurement and implementation and enforcement of approved purchasing policies and procedures.

Where deemed appropriate and in the best interest of the University, contracts should be reviewed by the University General Counsel's office.

### **IV. Delegation of Purchasing Authority**

The President of the University is hereby delegated the following purchasing authority, with authority to re-delegate solely to the Chancellors, their designee(s), or such other officers as the President sees fit:

- (a) Authority to enter into contracts for labor and materials exceeding \$25,000.
- (b) Authority to enter into leases of equipment for periods exceeding one year, irrespective of amount.
- (c) Authority to enter into leases of real property with specific Board of Trustees and the Division of Capital Asset Management and Operations (DCPO) approval.

The President of the University and the Chancellors are hereby delegated the following purchasing authority for University-wide or President's office matters and campus matters, respectively, with authority to re-delegate to the Treasurer, purchasing directors, and such other officers as they see fit:

- (a) Authority to sign purchase orders irrespective of type or amount.
- (b) Authority to enter into leases of equipment for periods that do not exceed one year, irrespective of amount.
- (c) Authority to enter into contracts for labor and materials and contracts or services under \$25,000

All delegation of purchasing authority shall be made in writing and forwarded to the office of the University Vice President for Management and Fiscal Affairs (with a copy to the General Counsel's Office).

<b>University Of Massachusetts System</b>	
<b>Date: July 01, 2001</b>	<b>Section:1.2</b>
<b>Subject: Business Expense Policy Trustee Doc. T92-031, as revised (Appendix C)</b>	

The *Business Expense Policy* applies to expenses incurred by a duly authorized University of Massachusetts employee or Trustee who incurs expenses in the process of conducting University business. Campuses may establish further guidelines and procedures within the scope of University policies regarding business and entertainment expenditure. Campus guidelines may be more, but not less restrictive.

### **General Policy**

- ? Expenditures must be a necessary expense of the organization and an allowable charge to the funding source.
- ? Expenses must have a clear business purpose and be directly related to the goals and mission of the University/campus.
- ? Expenses must be reasonable and appropriate under the circumstances and in moderation and good taste.
- ? An individual's travel status does not affect reimbursement for business expenses.
- ? All expenses must be fully documented (see below).
- ? The signatory authority of the relevant account is responsible for compliance with this policy.

### **Specific Criteria**

The following are examples of the type of expenditures that may be paid/reimbursed subject to the general policy articulated above and the documentation criteria described below:

- ? Expenditures for the purpose of recruiting potential employees, soliciting prospective donors or sponsors, and hosting official guests when necessary for the conduct of University/campus business;
- ? Expenses for meetings of regular University/campus committees, which may involve only participants from a single location, and which are documented as part of a working session necessitated by travel requirements, schedule conflicts or other unavoidable circumstances solely for the benefit of the institution;
- ? Institutional events, including recognition/morale activities, public relations/development/fund-raising events, conferences/retreats/seminars, and activities in conjunction with various ceremonial and official events.

These events may be either campus-wide or on a smaller scale and require prior approval. Such approval must be obtained through normal administrative channels. University and campus policy regarding administrative, budgeting, approvals, purchasing and documentation shall apply;

- ? Tickets for sports, theater, charitable/civic and other events for the entertainment of institutional donors, alumni, guests and visitors. In all cases the expenses must be shown to benefit the mission of the institution or directly support its programs.

The following are examples of the type of expenditures, which should **not** be paid/reimbursed:

- ? Excessive or extravagant cost;
- ? Political contributions;
- ? Gifts to University employees other than those provided through official recognition programs authorized by the Human Resources Department;
- ? Expenses incurred in connection with personal business including parking fees, parking tickets, club memberships, stolen articles, etc;
- ? Meals during working hours, including “working meals” where one employee takes another employee to breakfast, lunch or dinner;
- ? Purchase of alcoholic beverages is highly discouraged due to the expense and potential liabilities involved. However, when written authorization is obtained prior to the event, purchase may be made through Food Services or their approved substitute;
- ? Expenses for spouses except as allowed in the *Executive Compensation Policy* (when approved) or as part of an institutional event which has received prior approval;
- ? Any unexplained or undocumented expenses.

## **Documentation**

All expenditure must be accompanied by a “Business Expense Authorization/Voucher” and original receipts.

### **Documentation must include:**

- ? The date, location and description of the expenditure.
- ? The name(s), title, company, affiliation and business relationship of the person(s) in attendance.
- ? Business purpose for incurring the expense.
- ? Approval of the expenditure through normal administrative channels.

## **Reporting Requirements**

Campuses/locations should identify business and entertainment expenditures in the University Financial Records Systems (or approved alternative systems) in a manner, which will allow for regular reporting to the Board of Trustees.

<b>University of Massachusetts System</b>	
<b>Date: July 1, 2001</b>	<b>Section:1.3</b>
<b>Subject: Consultant Services Trustee Doc. T92-031, as revised (Appendix D)</b>	

The purpose of this policy is to provide guidelines and procedures for the appointment of non-employee personnel.

## **1. General**

1. This delegation is made under and pursuant to Massachusetts General Laws Chapter 75, Section 3A, as amended, and to the By-Laws of the Board of Trustees.
2. This delegation relates to professional service contracts (other than operational services under Appendix A). Professional services shall be defined as those services provided by persons or groups identified as independent contractors by the Internal Revenue Service (Attachment 1). These individuals or groups are not paid through the University's payroll system. Any professional service contract whose annual projected expenditure exceeds \$50,000 annually shall be bid competitively whenever practicable or sole source justification shall be provided.
3. A standard contract form for each contract, where the amount expended annually exceeds \$5,000 shall be used as a binding contract. The standard forms shall be prepared by the Vice President for Management and Fiscal Affairs and approved by the General Counsel.
4. This policy does not apply to any items covered by the Purchasing Policy (Appendix A).

## **II. Delegation of Signature Authority**

A. There is hereby delegated solely to the President of the University:

1. Authority to contract for Professional services to be performed by consultants and other persons engaged other than in an employment status where the amount to be expended for professional services under any such contract shall exceed \$200,000 in any fiscal year and other than for services to be performed for or under the direction of the Board of Trustees. The

President shall report to the Committee on Administration and Finance on all such contracts. Reports shall be made regularly, but no less than annually.

2. Authority to sign and deliver all papers and documents relating to the contracting as aforesaid for services of non-employees.

B. There is hereby delegated to the President of the University, with authority to re-delegate solely to the Chancellors:

1. Authority to contract for professional services to be performed for the particular campus by consultants and other persons engaged other than in an employment status where the amount to be expended for professional services under any such contract shall not exceed \$200,000 in any fiscal year.
2. Authority to sign and deliver all papers and documents relating to the contracting as aforesaid for services for non-employee.

C. There is hereby delegated to the President of the University, with authority to re-delegate to the Chancellors, who may sub-delegate such authority as they determine appropriate.

1. Authority to contract for professional services to be performed for the particular campus by consultants and other persons engaged other than in an employment status where the amount to be expended for professional services under any such contract shall not exceed \$50,000 in any fiscal year.
2. Authority to sign and deliver all papers and documents relating to the contracting as aforesaid for services of, or engaging as aforesaid, non-employees.

D. All sub-delegations shall be made in writing and forwarded to the office of the Vice President for Management and Fiscal Affairs (with a copy to the General Counsel's office).

- E. All contracts for professional services in an amount to exceed \$25,000 in a fiscal year should be reviewed for form and content by the General Counsel's office.
- F. The President shall have the authority to exclude from these delegations any categories or types of consultant service or professional service contracts as he deems necessary or appropriate.
- G. The President shall issue guidelines to implement this policy. Said guidelines shall include but are not limited to a requirement that campuses provide a quarterly listing of all newly executed consulting or professional service contracts over \$50,000 to the Vice President for Management and Fiscal Affairs and Treasurer. Listings shall include the name of the consultant or firm, contract purpose, total contract amount, and the duration of the contract.

A listing of all consultant contracts executed over \$50,000 shall be provided quarterly to the University Treasurer, and shall include the name of the consultant or firm, the amount, and the duration of the contract.

<b>University Of Massachusetts Lowell</b>	
<b>Date: July 01, 2001</b>	<b>Section:1.3.1</b>
<b>Subject: ESTABLISHING CONTROL *</b>	

To determine whether a worker is an employee or independent contractor, you should apply the common law test of control. Under this test, if you have the right to control and direct what a worker does and how he or she does it, a relationship between you and the employee exists. In the absence of such control, a worker may be classified as an independent contractor.

To determine whether control exists in an employee-employee relationship, the IRS uses the following 20 common law factors:

- 1) Required compliance with employer's instructions;
- 2) Training of worker by employer;
- 3) Integration of worker's services into employer's business operations;
- 4) Services required to be rendered personally;
- 5) Hiring, supervising, and paying worker's assistants;
- 6) Continuing relationship;
- 7) Set hours of work;
- 8) Full-time work required;
- 9) Working on the employer's premises;
- 10) Set order or sequence of work;
- 11) Required oral or written reports;
- 12) Payment by hour, week or month;
- 13) Payment of business expenses and/or travel expenses;
- 14) Furnishing of tools and materials;
- 15) Significant investment by the worker;
- 16) Realization of profit or loss;
- 17) Working for more than one firm or company at a time;
- 18) Making services available to the general public;
- 19) Right of employer to discharge;
- 20) Right of worker to terminate.

(See Contracting for Professional Services, Section 3.5)

\* as defined by the Internal Revenue Service

<b>University Of Massachusetts Lowell</b>	
<b>Date: July 01, 2001</b>	<b>Section:1.4</b>
<b>Subject: Rationale for Centralized Purchasing and the Bid Process</b>	

Following is the rationale behind centralized purchasing and why we obtain bids:

### **What is a Contract:**

Each Purchase Order issued is a contract. A contract is established by someone making an offer and someone else making an acceptance that is covered by consideration (money). When you send out a Purchase Order, you are offering to buy something. The vendor accepts your offer by acknowledgment, or by filling the order and shipping the goods requested.

### **What is Centralized Purchasing?**

Centralized purchasing is a system of purchasing in which the authority, responsibility, and control of purchasing activities is concentrated in one administrative unit. At the Lowell Campus, the administrative unit that has such control is the Purchasing Department. As a public institution, the University is governed by the laws and regulations that pertain to purchasing in higher education as established by the Commonwealth and the University's Board of Trustees. Centralized purchasing provides the checks and balances that are necessary to insure that goods and services are purchased within such laws and regulations, from responsible sources, and at the best possible prices.

### **Why obtain Bids?**

There are many variables to be determined in buying that are best answered by obtaining bids. These variables, in the form of questions, are as follows:

1. Is the product the best one available for the particular application?
2. Is the product description current, or has a more current model superseded it?
3. What is the availability of the product?
4. What is the F.O.B. point?

This determines who pays the freight: but what is more important, title to the goods passes at the F.O.B. point. We always try to establish the F.O.B. point as the University, which means the vendor pays the freight, and if any freight is lost, stolen, or damaged in transit, it is the vendor's problem, because they have title of the product.

5. Are the vendor's name and addresses still current?
6. What are the payment terms?
7. What is the current price?

When a vendor returns a bid, (s)he is making an offer. If we issue a Purchase Order, we have accepted their offer and covered it by consideration. It may seem like a minor point, but going out to bid first simply places the horse before the cart and enables us to make the final decision whether we wish to place the order on the vendor's terms. Retention of this control within the University is an important prerogative.

These things should be kept in mind as you read through this manual. The various sections explain when formal, advertised bids through the Purchasing Department are required, and when the requesting department may obtain quotes, written or otherwise.

<b>University Of Massachusetts Lowell</b>	
<b>Date: July 01, 2001</b>	<b>Section:1.5</b>
<b>Subject: Purchasing Policies and Procedures</b>	

The following procedures expand upon the policies governing purchasing adopted by the Board of Trustees on June 3, 1992, in accordance with the provisions of Sections 3 and 13 of Chapter 75 of the General Laws, as amended by Chapter 142 of the Acts of 1991. This manual represents the basic purchasing policy to be followed by the University of Massachusetts Lowell.

### **Responsibilities and Objectives:**

The Purchasing Department is the on-campus department that is charged with the responsibility to:

1. Obtain public bids to obtain maximum value from the expenditure of University funds in the purchase of materials and services, greater than \$5,000;
2. Coordinate the purchase of materials and services for all functions of the University;
3. Provide value added services to the University by constantly striving to find new and better products, sources of supply, and better ways of meeting the needs of the using departments;
4. Maintain liaison with the vendors that service the University;
5. Develop University purchasing standards based upon value analysis, economies of scale, total acquisition costs, and budget limitations;
6. Assist University departments in locating substitute materials in cases of emergencies, material shortages, strikes, or other external circumstances;
7. Protect the University against unfair or unethical trade practices and unrealistic or exorbitant price increases;
8. Expedite, if requested and warranted, the delivery of goods and services;
9. Assist in the transfer, trade, or sale of surplus property;
10. Maintain the Master Bidders and Commodities lists and the Vendor Code File.

<b>University Of Massachusetts Lowell</b>	
<b>Date: July 01, 2001</b>	<b>Section:1.6</b>
<b>Subject: General Purchasing Policies</b>	

1. Purchases shall be made on the basis of competitive prices, obtained by public bid whenever practicable. If the purchase is bid, the award will be made to the responsive and responsible bidder who, in the opinion of the Director of Purchasing, in conjunction with the requesting department, offers the best bid, based on price, conformance to specifications, and delivery.
2. Specifications shall be established by the using department and/or the Purchasing Department. Specifications will not be altered without prior consultation with the using department.

Specifications may be one of six basic types:

- a. Brand name or equal;
- b. Design or detailed specifications (used when blueprints or specific details are available);
- c. Professional Service Contracts (**See Contracting for Services, page 3.5**);
- d. Performance specifications; e.g., repair work, construction, maintenance, etc;
- e. Specifications as per an existing sample; e.g., printing jobs;
- f. Special Purpose Specifications:
  - 1) Requests for Information (RFI);
  - 2) Sale of Surplus Property;
  - 3) Concessions Rights (Award to highest bidder); and
  - 4) Term Contract for a Commodity Line.

3. Used or refurbished equipment may be purchased, in accordance with established purchasing policies, if in good condition and justified in writing to the Purchasing Department. Whenever possible, such equipment will carry a full manufacturer's warranty.
4. Departments are encouraged to suggest the names of prospective vendors to the Procurement Department for their purchasing requirements, but the final selection of vendors shall remain the responsibility of the Procurement Department. Departments are required to obtain appropriate documentation for any new vendor to be added to the Campus Vendor File.
  - a) Requests for bids should not be solicited from prospective suppliers unless the requester is willing to place an order with that supplier should that supplier be responsive, responsible, and the lowest bidder meeting specifications.
5. **Whenever practicable, departments shall make use of State, University, Campus and MHEC Contracts.**
6. No Department or individual is authorized to commit the University for materials or services except with the prior approval of the Purchasing Department. Purchases, agreements to purchase, or changes to existing purchase agreements made by any department member without the prior approval of the Purchasing Department will not be honored by the University and will become the financial responsibility of the individual who incurred the commitment. **(See Financial Commitment, page 1.9).**
7. Personal purchases in the name of the University are not permitted. No delivery of any personal purchase shall be authorized to be made to any University office or building other than University-owned or controlled dwelling facilities. University letterheads are not to be used for personal correspondence.
8. Vendors shall not discriminate against any qualified employee or applicant for employment because of race, color, national origin, ancestry, age, sex, religion, physical or mental handicap, or sexual orientation.

Vendors shall comply with all applicable Federal and State statutes, rules and regulations prohibiting discrimination in employment including but not limited to: Title VII of the Civil Rights Act of 1964; the Age Discrimination in Employment Act of 1967; Section 504 of the Rehabilitation Act of 1973; the Americans with Disabilities Act of 1990; and M.G.L. c151B.

9. Requirements for goods and/or services over \$5,000 shall be advertised on a public bid board. Procurements that total \$250,000 or more shall also be advertised in appropriate publications, at the discretion of the purchasing agent at the respective campus.

<b>University Of Massachusetts Lowell</b>	
<b>Date: July 01, 2001</b>	<b>Section:1.7</b>
<b>Subject: Responsibilities of the Ordering/Requesting Department</b>	

Individuals who are authorized by their dean or department head to originate requests for materials and services for public bid, are charged with the responsibility to:

1. Anticipate departmental requirements in order that a reasonable amount of lead time may be allowed for processing the request, or for public bidding, whichever applies. The Procurement Department will handle emergencies on a priority basis as outlined in the section entitled **Emergency Purchasing Confirming Orders – Financial Commitment, page 2.16.**
2. Combine, whenever possible, relatively small request for similar types of material, in order that orders/bids may be issued for reasonable quantities.
3. Insure that information furnished on the purchase request is complete and accurate and conforms to campus purchasing and accounting policies, as may be appropriate.
4. Provide written quotations, justifications, and backup documentation, as may be requested by the Purchasing Department.
5. Promptly process Change Order/Requests, as may be appropriate, to the Purchasing Department to properly reflect any modifications to the Purchase Order. (Authorization must be received from the Purchasing Department prior to processing any Change Order/Request for purchases that were bid through Purchasing.)
6. Promptly note receipt of materials, as may be appropriate, in accordance with campus receiving policy.
7. Accommodate the payment of invoices, as may be appropriate, in accordance with campus accounting policy.

<b>University Of Massachusetts Lowell</b>	
<b>Date: July 01, 2001</b>	<b>Section:1.8</b>
<b>Subject: Ethical Practices and Conduct of Employees</b>	

State employees are governed by the Commonwealth's Conduct of Public Officials and Employees statute ("Conflict of Interest law"), Massachusetts General Laws, Chapter 268A. This statute is lengthy and complex. It is interpreted and actively enforced by the State Ethics Commission. Copies of a brochure that generally discusses the law and restrictions placed on state employees may be obtained from the State Ethics Commission, Public Education Office, Room 619, at (617) 727-0060. You may request an advisory opinion from the Ethics Commission by writing to the State Ethics Commission, One Ashburton Place, Boston, MA 02108.

1. The University's vendors, and their products, personnel, and services, are, in a sense, a natural extension of the University's own resources. It is the responsibility of all employees to work to maintain the good name of the University, to develop and maintain good relations between the University and its vendors, and to keep in mind that personal contacts form much of the basis for the opinion of the University by its vendors.

2. University employees shall refrain from accepting gifts or gratuities from vendors. Reference is directed to the Conduct of Public Officials and Employees law, Chapter 268A, Section 3, of the General Laws, which states in part:

"Whoever...directly or indirectly, asks demands, exacts, solicits, seeks, accepts, receives or agrees to receive anything of substantial value for himself for or because of any official act or acts within his official responsibility performed or to be performed by him...shall be punished by a fine of not more than three thousand dollars or by imprisonment for not more than two years, or both."

In this respect, employees who are responsible for making purchasing decisions, or who are in a position to influence purchasing decisions, shall refrain from accepting any gratuity or benefit from any vendor, for they may be construed to influence such purchasing decisions.

3. Nepotism: Nepotism is contrary to both the Conflict of Interest law and Trustee policy. The Trustees have voted, in part:

- a. No officer or employee of the University shall participate directly in any decision or recommendation relating to appointment, promotion, retention, tenure, or other condition of employment at the University of any parent, child, spouse, sibling, parent-in-law, sibling-in-law, child-in-law, or stepchild of such officer or employee, except as the Chancellor has specifically approved as being within the best interest of the University.
- b. In cases where a person within one of the categories of relationship to an officer or employee (as described in "a," above) is proposed for appointment, retention, or promotion to a position which would normally be under the supervision of such officer or employee, such person may be appointed to, retained in, or promoted to such position, and may be supervised by such an officer or employee, only if documentation is provided that demonstrates that such person is especially qualified to perform the services required and that the services are of great value to the interest of the University. Such decisions shall be made by the Chancellor or by his designee. The documentation required shall accompany the personnel files of the related persons.

Questions concerning such conflict issues related to nepotism should be directed to the Human Resource department.

4. Employees shall not do business in the name of the University with companies in which they, or an immediate family member, hold a financial interest, unless disclosure of the facts of the matter and the employee's financial interest are first made to, and approved in writing by, the employee's Chancellor (M.G.L. Chapter 268A, Sections 6 and 6A.)
5. A state employee may not have a financial interest, directly or indirectly, in a contract made by a state agency in which the Commonwealth or a state agency is an interested party (M.G.L. Chapter 268A, Section 7).

This restriction is subject to certain qualifications. The employee should contact University legal counsel or the State Ethics Commission to discuss the employee's particular situation, before the fact.

6. The University subscribes to the Code of Ethics of the National Association of Educational Buyers, as follows:

<b>University Of Massachusetts Lowell</b>	
<b>Date: July 01, 2001</b>	<b>Section:1.8.1</b>
<b>Subject: NAEB Code of Ethics</b>	

1. Give first consideration to the objectives and policies of my institution.
2. Strive to obtain the maximum value for each dollar of expenditure.
3. Decline personal gifts or gratuities.
4. Grant all competitive suppliers equal consideration insofar as state or federal statute and institutional policy permit.
5. Conduct business with potential and current suppliers in an atmosphere of good faith, devoid of intentional misrepresentation.
6. Demand honest in sales representation whether offered through the medium of a verbal or written statement, an advertisement, or a sample of the product.
7. Receive consent of originator of proprietary ideas and designs before using them for competitive purchasing purposes.
8. Make every reasonable effort to negotiate an equitable and mutually agreeable settlement of any controversy with a supplier; and/or be willing to submit any major controversies to arbitration other third party review, insofar as the established policies of my institution permit.
9. Accord a prompt and courteous reception insofar as conditions permit to all who call on legitimate business missions.
10. Cooperate with trade, industrial and professional associations, and with governmental and private agencies for the purposes of promoting and developing sound business methods.
11. Foster fair, ethical and legal trade practices.
12. Counsel and cooperate with NAEB members and promote a spirit of unity and a keen interest in professional growth amount them.

July 1, 1985  
Reviewed 1992

**NATIONAL ASSOCIATION OF EDUCATIONAL BUYERS, INC.**

<b>University Of Massachusetts Lowell</b>	
<b>Date: July 01, 2001</b>	<b>Section:1.9</b>
<b>Subject: Financial Commitment</b>	

1. In accordance with State, Federal, and University Board of Trustees policies, no person is authorized to obligate the University without encumbering, in advance, sufficient funds to meet the obligation, provided, furthermore, the purchase constitutes a proper expenditure and conforms to University Board of Trustees Procurement Policy. Therefore, all purchasing documents must be approved, in advance, for availability of funds before committing the University for the expenditure of any funds (appropriated or non-appropriated).
2. In this connection, no "Confirming" purchase shall be made for any amount that has not received the prior approval of the Purchasing Department. When an emergency occurs that requires the placement of a Confirming Order the Emergency Procedures set forth on **Section 2.16** shall apply.
3. Any University employee who makes commitments and/or expenditures by bypassing the normal purchasing channels, whether it be verbal, fax or telephone purchase order, an authorization to a vendor to increase the amount of any already-issued purchase order, or any other such commitments, **does so at no obligation to the University.** Commitments made in this manner will be the personal obligation of the employee(s) making them.

<b>University Of Massachusetts Lowell</b>	
<b>Date: July 01, 2001</b>	<b>Section:1.10</b>
<b>Subject: Signature Policy – Purchasing/Accounting Documents</b>	

Following are the minimum requirements that must be met to authorize the expenditure of funds on purchasing/accounting documents.

1. The Account Administrator (Responsible Person/Principal Investigator/Individual Exercising Budgetary Control), or his/her authorized designee, shall approve all purchasing and accounting documents.
2. When it is necessary for the Account Administrator to delegate signature authority, the following procedure will be utilized:
  - a) A memorandum of authorization from the Account Administrator, which reflects the account number(s), and the name and signature of the individual to whom signatory authority is delegated, shall be submitted to the campus Comptroller's Office. If delegation is temporary, the memo shall reflect the dates such authorization will remain in effect.

<b>University Of Massachusetts Lowell</b>	
<b>Date: July 01, 2001</b>	<b>Section:1.11</b>
<b>Subject: Approvals, Additional, Required for Purchases</b>	

Following is a list of purchases that require an additional approval or step beyond those normally required of the ordering/requesting department and Purchasing.

<b>Procurement Type</b>	<b>Approving Authority/Step</b>
Alterations to Building: e.g., Electrical, Plumbing, Structural	Special Assistant for Economic Development
Computer Networks	Chief Information Officer
Conflict of Interest	Campus Legal Counsel, Human Resources
Contracts for Services	See CFS Policy
Educational Alcohol, Government Tax- Free	Purchasing Department
Employment Ads, Classified	Dean/Director Chancellor/Provost Affirmative Action Human Resources Purchasing
Gifts (Univ. Related)	Executive Director of University Advancement
Hazardous Chemicals	Env. Health & Safety
Insurance	Treasurer's Office
Leases	Chancellor
Radioactive/Radiation Producing Materials/Equipment	Radiation Safety Office
Surplus Property, Disposal of	Property Office

<b>University Of Massachusetts Lowell</b>	
<b>Date: July 01, 2001</b>	<b>Section:1.12</b>
<b>Subject: Subsidiaries/Object Codes</b>	

The Subsidiaries and Object Codes used by the University are adapted from those established by the Commonwealth, which are mandated for use by all State Agencies.

1. The University's budget is allocated among 14, two-character, alpha subsidiaries, which define very general types of payments/procurements; e.g., AA – Salaries, EE – Administrative Expenses, FF- Facility Operational Expenses, etc.
2. Under the University's FRS system, each general subsidiary contains numerous four-digit object codes, which more closely define the various types of payments/procurements within the subsidiary; e.g., Under Sub. EE- Administrative Expenses – one will find: Object Code 1401, Office and Administrative Supplies; 1406, Postage; 1408, Telephone Service, etc.
3. All purchase documents for encumbrance must bear an object code, which shall be selected by the department from the listing of object codes as contained in the campus Accounting Manual. The object code assigned by the department shall be the one that most closely defines the type of procurement to be affected. Object codes assigned to purchase documents are subject to review and correction by the Purchasing Department.
4. Object codes should be selected based on the type of procurement to be affected, not on the end result of the procurement. For example, photocopying should be charged to the object code for photocopying 1933, and not to teaching supplies and materials 1516 because the photocopies will be used in the classroom.
5. Departments may not charge procurements to subsidiaries for which they have received no allocation. The department shall first affect the necessary paperwork through the campus Budget Office.
6. Questions concerning object codes may be directed to the Purchasing Department.

<b>University Of Massachusetts Lowell</b>	
<b>Date: July 01, 2001</b>	<b>Section:1.13</b>
<b>Subject: Vendor Code/Foreign Individual Tin Number</b>	

1. In the University's FRS System, a vendor code is an 11-digit number that is assigned to a vendor that dictates the address to which the remittance will be mailed.
2. Vendor codes are created based upon the vendor's 9-digit Taxpayer's Identification Number (F.E.I. or Social Security Number). On the University's FRS System, the first character of the vendor code is a letter (usually "A" if for a vendor). The last digit of the code is zero.
3. No encumbrance can be affected in the University's FRS System without a valid 11-digit vendor code, which must appear in the University's FRS System. If the 11-digit vendor code is not on file, the department must provide the vendor's 9-digit taxpayer's number, with a completely signed original VW-9 form. Vendor code creation can be processed within 48 hours of the request. All vendors must have a Taxpayer Identification Number that has been assigned by the Federal Government in order to obtain a Vendor Code.
4. Those departments that are on-line to FRS can access vendor codes from screen 202 by keying in the vendor's name or screen 204 with an A/and the vendor's 9-digit Taxpayer's ID Number. Departments that do not have access to FRS may obtain vendor codes by contacting the Purchasing Department.
5. Purchases that are done against state appropriated accounts require a 13-digit vendor code, which is controlled by the Commonwealth through the MMARS System. No encumbrance can be affected against a state-appropriated account unless and until there is a valid 13-digit vendor code for the vendor in the Commonwealth's MMARS System, and a valid 11-digit vendor code number in the University's FRS System. Vendor Code assignment and changes through MMARS take three or more weeks to process and require that stringent processing parameters be followed.
6. Questions concerning vendor codes may be directed to the Purchasing Department.

Note: Citizens and Resident Aliens (Foreign Individual) of the United States must certify with the MW-9 that they have a valid social security (SS) number or a Taxpayer Identification (TIN) number.

Non-Citizens who are Non-Resident Aliens (Foreign Individuals) must complete a University Payee Information Sheet to provide written documentation of required IRS information. This information sheet can be obtained from the Business office. If a person cannot obtain a Social Security Number, then they can file a Form W-7 to receive a TIN. The University is attempting to become a "Certified Accepting Agent" for the IRS so it can assist individuals in obtaining a TIN in the future.

The IRS requires that the Payor (the University) withhold 30% of all service payments and reimbursements to Non-Resident Aliens (Foreign Individuals). Exceptions exist for countries under tax treaty with the U.S., but these exceptions are the responsibility of the payee and must be certified and documented. Otherwise, the 30% must be withheld and transferred immediately to the IRS.

The Comptroller's Office will prepare and issue 1042 forms to report payments for Non-Resident Aliens (Foreign Individuals) to the IRS, INS, State Department of Revenue and the Payee, when they prepare the 1099 forms for payments to citizens and Resident Aliens.