POLICIES AND PROCEDURES

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Division of Procurement Services /
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PREFACE

This manual provides the policies and procedures to be utilized by the Coastal Carolina University community with respect to the area of procurement.

Section A of this manual represents the Procurement policy as found in Coastal Carolina University’s stated policies, number FINA-301, as updated.

Sections B, C, and D represent the procedures to be utilized in working with Procurement Services in the areas of Procurement, Central Receiving, and Inventory Control.

It is suggested that these policies and procedures be read first and used as a reference for answers to general questions. The South Carolina Consolidated Procurement Code should also be used as reference.

Updates will be made from time to time to reflect changes in policies and/or procedures. Suggestions for additional information or changes are always welcome.
A. POLICY: PROCUREMENT

I. Authority

The Coastal Carolina University office of Procurement Services is governed by policies and guidelines established by the South Carolina State Legislature, the *South Carolina Consolidated Procurement Code*, the South Carolina Budget and Control Board, the Coastal Carolina University Board of Trustees, and the Coastal Carolina University Procurement Policy. In accordance with the *South Carolina Consolidated Procurement Code*, the President of Coastal Carolina University has delegated the authority and responsibility for procurement to the Director of Procurement Services.

It is the policy of Procurement Services to adhere to and abide by the policies, procedures, and guidelines relating to the procurement, management, control, and disposal of supplies, equipment, and services, as applicable, under the authority of the *South Carolina Consolidated Procurement Code*, and to assure the University administration and Board of Trustees that all procurement transactions are conducted in a legal, ethical and professional manner in compliance with the statutes, rules, and regulations governing such actions. Commitments shall be made in accordance with the provisions of the *South Carolina Consolidated Procurement Code*, this Policy, and the Procurement Policies and Procedures Manual.

Procurement Services is the sole area authorized to make commitments for supplies, equipment, and services necessary for the operation of the University. Except as described within this policy and the Procurement Policies and Procedures Manual, no obligation for purchases will be entered into without authorization of Procurement Services. The University will not assume responsibility for the payment of purchases other than those made through established procedures.

II. Agency Certification

An agency of the State of South Carolina may make direct procurements above $50,000, which are not under term contracts, if they have received certification to do so from the South Carolina Budget and Control Board (SCBCB). This “certification” is a reference to a certificate which is issued by the SCBCB to memorialize its grant of procurement authority. The certificate identifies the agency, the types of procurements they can conduct, and for each type, the dollar limits below which the agency can make direct procurements. The certification is generally reviewed by the SCBCB every three (3) years. The authority granted through the certification is not a substitute for compliance with the procedural and approval requirements of the procurement laws. Likewise, authority is not a substitute for legislative appropriation of funds which are issued annually.

The University’s certificate of procurement authority shall be maintained by Procurement Services and posted in Atlantic Hall.
III. Mission Statement

Procurement Services supports the mission and objectives of the University by providing an effective and efficient procurement process for quality goods and services, and by fostering a high standard of fair and honest treatment within the University, with vendors, and with the public.

The objectives of Procurement Services include the following:

- to provide all the goods and services required for the University's operations at the time and place needed and in the proper quantity and quality;
- to secure such goods and services required at the lowest possible cost from responsive and responsible vendors;
- to provide economic delivery of purchased materials;
- to provide sound inventory management;
- to obtain the greatest possible revenue from the disposal of surplus, damaged, or obsolete materials and equipment;
- to insure and maintain compliance with the South Carolina Consolidated Procurement Code and University guidelines; and
- to transact business with the utmost ethical standards as listed in the Code of Ethics and prescribed by the University and the National Association of Educational Procurement.

IV. Responsibilities and Functions

The general responsibilities and functions of Procurement Services may be summarized as follows:

- to purchase quality goods and services for the University so that maximum value is obtained for every dollar spent;
- to ensure qualified suppliers are given equal opportunity to participate in meeting University requirements;
- to assist in expediting the delivery of materials to meet the requirements of the user departments (when so requested by the department);
- to handle complaints, claims, and adjustments, and to negotiate for the return of materials or arrange for other settlements;
- to correspond with suppliers relating to quotations and purchase orders;
- to set standard specifications for materials and supplies commonly utilized, and to ensure specifications are worded to support the University's policy of open and competitive bidding;
- to consolidate purchases whenever possible and thus obtain quantity discounts for volume purchases, and to enter into requirements contracts with vendors where correspondingly favorable prices are to be obtained; and
- to provide departments, upon request, current market trends of available products and services.
V. Ethical Standards

Procurement Services staff and other Coastal Carolina University personnel involved in the procurement process shall adhere to the Code of Ethics as adopted by the National Association of Educational Procurement, revised as follows:

- to give first consideration to the objectives and policies of Coastal Carolina University;
- to strive to obtain the maximum ultimate value of each dollar of expenditure;
- to decline personal gifts or gratuities;
- to grant all competitive suppliers equal consideration insofar as State or federal statute and institutional policy permit;
- to conduct business with potential and current suppliers in an atmosphere of good faith, devoid of intentional misrepresentation;
- to demand honesty in sales representation whether offered through the medium of a verbal or written statement, an advertisement, or a sample of the product;
- to receive consent of originator of proprietary ideas and designs before using them for competitive purchasing purposes;
- to 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 or other third party review, insofar as the established policies of Coastal Carolina University permit;
- to accord a prompt and courteous reception insofar as conditions permit to all who call on legitimate business missions;
- to cooperate with trade, industrial and professional associations, and with governmental and private agencies for the purposes of promoting and developing sound business methods;
- to foster fair, ethical and legal trade practices; and
- to cooperate with peers and promote a spirit of unity and a keen interest in professional growth among them.

VI. General Policies

Advance Payments

The general policy of the University relative to payment for supplies and services is that payment will not be made until after supplies have been received or services have been rendered. There are, however, certain exceptions for which remittances may be made at the time an order is placed in advance of receipt of goods and services:

- orders to the U.S. Government Printing Office;
- purchases of postage;
- subscriptions to trade magazines and periodicals;
- purchases of minor items from specialty establishments which specify payment must accompany the order; and/or
• situations where advance payments to vendors would result in significant savings to the University.
The Director of Procurement Services shall have the final approval of all advance payments.

Conflict of Interest and Related Party Transactions

Each member of the University faculty and staff must ensure that situations involving actual or potential conflict of interest do not occur. The procurement of any goods or services may not be made from an employee of the University, nor may procurement of any goods or services be made from any business (including but not limited to corporations and partnerships) in which any University employee or any family member residing in the same household, either individually or collectively has (have) a majority (more than 50%) ownership interest. Coastal Carolina University will fully comply with all laws and regulations of the State of South Carolina pertaining to ethics compliance.

Exceptions to this policy may be approved only by the President and the Executive Vice President of the University with advice from University Legal Counsel, if the exception is determined by them to be in the University’s best interest and consistent with all ethics and other relevant laws.

Related parties represent a relationship where one party has the ability to influence the decision(s) of the other party. These types of transactions are presumed not to be conducted on an arm’s length basis and, therefore, need to be investigated for possible disclosure in the University financial statements. Examples of related party transactions include:

• transactions between a parent company and its subsidiaries;
• transactions between affiliates (an affiliate is a party that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is in under common control of an enterprise); and/or,
• transactions between an enterprise and its principal owners (owners holding voting stock in excess of 10%), management or members of their immediate families and affiliates. (Immediate family includes family members whom a principal owner or a member of management might control or influence or by whom they might be controlled or influenced because of the family relationship. Management normally includes members of the Board of Trustees, the chief executive officer, chief operating officer, vice presidents, or others in charge of principal business functions such as sales, administration, or finance, and others who perform similar policymaking functions. Persons without formal titles may also be members of management.).

Transactions between related parties commonly occur in the normal course of business, with the most common related party transactions occurring between family members of controlled entities. Examples of common related party transactions include:

• sales, purchases, and transfers of real estate and personal property;
• services received or furnished (for example, construction, maintenance, engineering, and legal services); and/or,
• use of property and equipment by lease or rental.
Employees are required to disclose “Related Party Transactions” annually to the University Controller whether or not the University has done business with the entity in the past. Any new relationships or changes in relationship during the year should also be reported immediately to the University Controller.

Business relationships do not necessarily prohibit any business from providing products or services to the University, unless a University employee or a family member residing in the same household, either individually or collectively, has (have) a majority (more than 50%) ownership interest. In this case, the procurement of any goods or services would be prohibited, unless an exception to this policy is made by the President and the Executive Vice President, with advice from University Legal Counsel.

**Construction Procurements**

All construction procurements less than the University’s certification limit as granted by the South Carolina Budget and Control Board will be initiated by the Director of Facilities Management and coordinated through Procurement Services for handling of the procurement documents. A construction procurement exceeding the University’s certification limit will be forwarded to South Carolina Procurement Services-Office of State Engineer for processing. The Director of Facilities Management is responsible for developing the construction requirements, obtaining architectural/engineering assistance, and coordinating with the South Carolina Commission on Higher Education, South Carolina Procurement Services–Office of State Engineer and other such offices/agencies of the State which are involved in construction procurement. He or she is also responsible for all reporting requirements of South Carolina Procurement Services and other State offices/agencies.

**Contracts, Leases, and Agreements**

Due to the potential subjection to the competitive bid process, all contracts, leases, agreements, etc., involving the purchase or rental of materials or equipment or the maintenance thereof, or for the rendering of services, must be submitted for processing to Procurement Services (by means of the Purchase Requisition system) and for subsequent review to University Legal Counsel.

**Exemptions to the South Carolina Consolidated Procurement Code**

While the *South Carolina Consolidated Procurement Code* provides specific procedures in the procurement of goods and services, certain exemptions to those procedures have been granted through the Code as well as through other directives of the South Carolina Budget and Control Board. The final decision regarding the application of these exemptions for all University purchases rests with the Director of Procurement Services.
Federal and State Taxes

University purchases are subject to the State Retail Sales and Use Tax except for some commodities specifically exempted by law. For those purchases which qualify, the University Controller will provide tax exemption certificates or other evidence of tax exemption. The University is exempt from the payment of federal taxes on most transactions.

Funds Availability

The responsibility for assuring availability of funds and for justifying the need for purchases is vested with each University departmental budget officer.

Gifts or Consignment of Equipment

A gift should not be accepted or solicited, directly or indirectly, from a donor if there is reason to believe the donor has or is seeking to obtain contractual or other business or financial relationships with the University. A gift should also not be accepted if the gift might provide the donor, directly or indirectly, an undue competitive advantage in subsequent procurements.

Should a department be offered merchandise and/or equipment outside the scope of the above paragraph as an outright gift or on a consignment basis, permission to accept or receive such merchandise should be requested from the Executive Vice President through the department head and/or dean and managing Vice President. A complete description of the merchandise or equipment and a clear statement of the conditions under which the gift or consignment is being offered should be given. When necessary, the Executive Vice President will secure any other administrative and State approval for acceptance. The department should not accept such items until all appropriate approval is received.

Minority Business Enterprise (MBE) Utilization Plan

The University’s Minority Business Enterprise Utilization Plan is designed to give small business concerns owned and controlled by socially and economically disadvantaged individuals full access and opportunity to participate in the University's procurement activities. The University has established the goal of purchasing at least ten percent (10%) of its total annual controllable funds from small business concerns owned and controlled by socially and economically disadvantaged individuals.

Every faculty and staff member within the University who participates in a procurement process or decision is charged with insuring that the University’s MBE Utilization Plan’s goals are pursued.

The University’s Director of Procurement Services has been designated as the liaison for the MBE Utilization Plan. Procedures and reporting requirements for the MBE Utilization Plan are provided in the South Carolina Consolidated Procurement Code.
Personal Purchases for University Employees

Procurement Services does not enter into any negotiations or become involved in any transactions for the purchase of anything personal in nature for University employees. In addition, certain items which might be classified as personal in nature and are suspect as inappropriate expenses from University funds may be questioned or disallowed.

Public Access to Procurement Information

Procurement information is considered a public record to the extent required by the South Carolina Freedom of Information Act, with the exception that commercial or financial information obtained in response to a "Request for Proposals" or any type of bid solicitation that is privileged and confidential need not be disclosed. Privileged and confidential information is information in specific detail not customarily released to the general public, the release of which might cause harm to the competitive position of the party supplying the information. All requests for information regarding University procurements shall first be directed to the University’s Freedom of Information Act Officer.

The University is committed to transparency and accountability regarding its expenditures and has created a “Spending Transparency” web site which includes a listing of every expense incurred by the University (less those transactions purchased through a University purchasing card), all of which serve to meet the University’s mission of teaching, research and public service. A listing of the purchasing card transactions by month is available through a site maintained by the State of South Carolina Comptroller General.

Purchase Requisition System

The Purchase Requisition form is the official University document to be used to initiate a purchase transaction for supplies, equipment, and miscellaneous services unless other provisions have been allowed under the Procurement Policies and Procedures manual.

Retention of Procurement Records

All procurement records will be retained and disposed of in accordance with the records retention guidelines and schedules approved by the South Carolina Department of Archives and History and by the University.

Sole Source, Emergency, and Unauthorized Procurements

Determinations or ratifications as required by the South Carolina Consolidated Procurement Code for sole source, emergency, and unauthorized procurements are completed, attached to the procurement records, and filed in Procurement Services. As required, a report listing such determinations is submitted to the State’s Chief Procurement Officer on a quarterly basis.

- Sole Source Procurement - A sole source product or service is one that is unique and possesses specific characteristics that can be obtained from only one source. Products and
services determined to be sole source shall be exempt from the competitive bid requirements. The requesting department shall be required to submit a Sole Source Procurement Request along with sufficient information and documentation to Procurement Services to justify that a product or service qualifies as a sole source procurement. The President of the University, or designee, must determine in writing that there is only one source for the product or service through the use of a Justification for Sole Source Procurement. Such procurement will be made in strict compliance with the South Carolina Consolidated Procurement Code.

- Emergency Procurement - The determination for an emergency procurement is made in writing and is authorized by the President of the University or designee. An emergency procurement is permitted only when there is a situation which creates a threat to public health, welfare, or safety such as may arise by reason of floods, epidemics, riots, equipment failures, fire loss, or such other reason as may be proclaimed by the President of the University or designee. The existence of such conditions must create an immediate and serious need for supplies, services, information technology, or construction that cannot be met through normal procurement methods and the lack of which would seriously threaten: the preservation or protection of property, or the health or safety of any person. An emergency procurement will be made with as much competition as practical under the circumstances and shall be limited to those supplies, services, information technology, or construction items necessary to meet the emergency.

- Unauthorized Procurement - All employees of the University should be familiar with the policies and procedures for procurement as noted herein and as found in the Procurement Policies and Procedures Manual, and must comply with them explicitly. Should any person without the requisite authority to do so by an appointment of delegation under the South Carolina Consolidated Procurement Code make a commitment obligating the University in a contract or procurement action, such action shall be deemed an unauthorized procurement. Corrective action or ratification of unauthorized procurements shall be handled in strict compliance with procedures outlined in the South Carolina Consolidated Procurement Code.

**Source Selection**

Procurement Services recognizes the value and potential of the “free enterprise system” and the advantages of selecting those sources which can best serve the interests of the University. Unless otherwise provided for through or exempted by the South Carolina Consolidated Procurement Code, solicitations for all goods and services above $10,000.00 in total value will be conducted using the competitive sealed bid process. Procurement Services reserves the right of final decision in the selection of sources and methods. Justification is required from the requisitioning department/unit for any procurement decisions or actions where, in the judgment of Procurement Services, a justification is warranted.

**State Contracts**

It is mandatory that the University utilize term contracts established by the State of South Carolina’s Procurement Services division. State contracts are those contracts established by the
State’s Chief Procurement Officers for a specific product or service for a specified time. A list of these contracts is maintained on the web by South Carolina Procurement Services.

**University Standards**

University personnel who are in any way connected with the procurement of equipment, supplies or services, shall not, except as provided for by regulation, solicit or accept any gift or other item of monetary value from any person or entity seeking official action from doing business with, or conducting activities regulated by the University, or whose interests may be substantially affected by the performance or nonperformance of the employee’s duties.

University personnel who are responsible for writing specifications, awarding contracts, making recommendations or who are in any way connected with requisitioning or procurement of equipment, supplies, and services used by the University, will not solicit nor accept, under any circumstances, any personal gifts, discounts, or gratuities, or personal travel, meal, or lodging expenses from a vendor, which might in any way influence the selection or purchase of such materials or services. Vendors who are doing or seeking to do business with the University are prohibited from offering or providing personal gifts, discounts, or gratuities, or personal travel, meal, or lodging expenses to University employees or officials, even if the expenses are incurred as part of the employee's or official's responsibility to inspect or observe the vendors products in operation unless such travel costs are specifically provided for in the procurement solicitation.

**END OF POLICY: PROCUREMENT**
B. PROCEDURES: PROCUREMENT

I. Definitions

Unless otherwise clearly indicated by context, the following definitions are offered for certain terms utilized in this section:

“Code” – the South Carolina Consolidated Procurement Code.
“Construction” – the process of building, altering, repairing, remodeling, improving, or demolishing a public infrastructure facility, including any public structure, public building, or other public improvements of any kind to real property. It does not include the routine operation, routine repair, or routine maintenance of an existing public infrastructure facility, including structures, buildings, or real property.
“Director” – the Director of Procurement Services.
“IRC” – Information Resource Consultant, a member of the ITS department.
“Information Technology” – data processing, telecommunications, and office systems technologies and services.
“ITS” – Coastal Carolina University’s Information Technology Services department.

“P-card” – the Coastal Carolina University/State of South Carolina Purchasing Card. It is a charge card designed to enable authorized, full-time University employees to make small value purchases of supplies, materials, equipment, and services for University business use.
“Policy” – the Coastal Carolina University Procurement Policy (FINA-301).
“Procurement” – the buying, purchasing, renting, leasing, or otherwise acquiring of any supplies, services, information technology, or construction. It also includes all functions that pertain to the obtaining of any supply, service, or construction, including description of requirements, selection, and solicitation of sources, preparation and award of contracts, and all phases of contract administration.
“Procurement Services – the Coastal Carolina University office of Procurement Services.
“Request For Proposals (RFP)” – a written or published solicitation issued by an authorized procurement officer for proposals to provide supplies, services, information technology, or construction which ordinarily results in the award of the contract to the responsible bidder making the proposal determined to be most advantageous to the University. The award of the contract must be made on the basis of evaluation factors that must be stated in the RFP.
“Requisition” – Purchase Requisition, the official University document used to initiate a purchase transaction for all purchases to be handled by the Procurement Services.
“SCBCB” – the South Carolina Budget and Control Board.
“SCBO” – South Carolina Business Opportunities. This is an official State government publication and is published twice weekly by South Carolina Procurement Services. The purpose of this publication is to provide a listing of proposed procurements of construction, information technology, supplies, services, and other procurement information of interest to the business community.
“SCPS” – South Carolina Procurement Services – the collective name of the three State departments comprised of the Materials Management Office, the Information Technology
Management Office, and the Office of the State Engineer. These departments operate under the direction of the South Carolina Budget and Control Board.

“Services” – the furnishing of labor, time, or effort (other than reports) by a contractor not required to deliver a specific end product and which are merely incidental to required performance. This term includes consultant services other than architectural, engineering, land surveying, construction management, and related services. This term does not include employment agreements or services.

“Supplies” – all personal property including, but not limited to, equipment, materials, printing, and insurance.

“University” – Coastal Carolina University.

II. Procurement Organization – Authority and Responsibilities

Procurement Services is currently comprised of the following positions whose authorities and responsibilities are provided:

• Director of Procurement Services – responsible for coordination and supervision of the office of Procurement Services; accountable for procurement of supplies, equipment, and services necessary for the operation of the University; designated person authorized to sign purchase orders for the University; serves as the Minority Business Liaison Officer. The Director reports to the University’s Controller;

• Procurement Specialist II – responsible for activities involved in the procurement of supplies and services, consultant services and information technology up to $200,000, $100,000, and $50,000 respectively. Coordinates larger procurements that are beyond the University’s procurement certification levels with SCPS;

• Procurement Specialist II – responsible for activities involved in the procurement of supplies and services, consultant services, and information technology up to $50,000 including State contract purchases. Maintains blanket orders and corresponding leases of copiers and maintenance agreements. Provides support for data entry of purchase orders and the administration of the p-card program;

• Procurement Specialist I – responsible for the administration of the University’s purchasing card program;

• Procurement Specialist I – responsible for activities involved in the procurement of supplies and services, consultant services and information technology up to $50,000. Processes all non-state contract requisitions which do not require solicitation, including coordination of contracts with the University’s legal area. Provides support as needed for the Administrative Specialist and state contract buyer;

• Administrative Specialist II – responsible for performing data entry of purchase orders, maintaining purchase order and vendor files, assisting with procurement procedures, and coordinating the activities of student assistants;

• Supply Manager II – responsible for management of the University’s Central Receiving area and Warehouse; provides inventory control for the University’s property and conducts the annual inventory as required by University policy.

• Supply Specialist II (two positions) – responsible for receiving supplies and equipment; assists with updating inventory records by assigning and applying identification numbers
to appropriate property and equipment; assists with the disposal of obsolete and surplus equipment.

While the activities listed are the primary responsibility of the positions as stated, procurements and other responsibilities may be rotated from time to time to ensure processes are completed in the most timely and efficient manner.

III. General Procedures

Advance Notification of Needs

Procurement Services makes every effort to meet the needs of all University departments. Departments should anticipate their needs sufficiently in advance so as to allow Procurement Services the necessary time, after receipt of a Requisition, to process the request under the appropriate procurement method. The time required to issue a purchase order and obtain the supplies or services varies greatly depending on the value and nature of the purchase and the specifications. High cost, complex procurements and those which are submitted to SCPS may take one hundred twenty (120) to one hundred eighty (180) days.

Approvals

All Requisitions must contain the approval of the appropriate University budget officer. In addition, those Requisitions involving the purchase of certain products and services must have additional approvals as follows:

- Information Technology – approval of the designated University Information Resource Consultant;
- Grant-related expenditures - approval of the grants accounting area and/or other grants personnel;
- Golf carts – approval of the Executive Vice President;
- Printing – approval of the Executive Vice President.

Other approvals may be imposed from time to time by the Office of the Provost and by Department Deans or Chairs.

Bookstore – Departmental Purchases from the University Bookstore

The University Bookstore is operated by a private vendor selected under a solicitation process dictated by the Code. Purchases from the bookstore must be in compliance with procurement procedures outlined in this manual and the University’s Expenditures policy.

Capital Lease Agreements (Purchase of Equipment Under)

The Financial Accounting Standards Board and the Federal government have issued guidelines to clearly define the appropriate accounting treatment for the acquisition of equipment through installment purchases or capital lease agreements.
A lease can be classified as either a capital lease or an operating lease. If a particular lease meets any of the following criteria, it should be classified as a capital lease (an installment purchase), and a corresponding asset and liability must be recorded on the University’s records:

- **Property ownership** – the lease transfers ownership of the property to the University by the end of the lease term;
- **Purchase option** – the lease contains an option to purchase the leased property at a bargain price (defined as a price significantly lower than the fair market value of the property at the time the option is exercised);
- **Lease term** – the lease term is equal to or greater than seventy-five per cent (75%) of the estimated economic life of the leased property; or
- **Rental payments** – the present value of rental payments equals or exceeds ninety per cent (90%) of the fair market value of the leased property.

If none of these criteria are met, the lease is classified as an operating lease. In this circumstance, neither an asset nor a liability is recorded on the University’s records.

Departments purchasing equipment on installment or capital lease agreements should be aware of the required accounting for such transactions so the equipment may be capitalized (and tagged) and the corresponding liability recorded on the University’s official records.

**Catalogs, Literature and Samples**

Procurement Services maintains a limited amount of vendor informational catalogs and files and, upon request, will make these catalogs available or secure additional information and literature necessary for department reference needed to satisfy University procurement requirements. It is permissible for departments to solicit such material independently, provided the communication is restricted to a request for free material only and does not involve any commitment on the part of the University.

**Contracts or Agreements Provided By Vendors**

Procurement Services strongly suggests that when discussing a potential purchase of supplies or services with a prospective vendor, the use of vendor-provided contracts and agreements be discouraged. The University has established terms and conditions that are used in conjunction with Purchase Orders (see Purchase Order section). These terms and conditions contain provisions mandated by State law, and also provide notice to vendors that they must comply with various laws, including, but not limited to, hold harmless, non-indemnification, and choice of law.

On occasion, however, a purchase may be supplemented by the use of formally executed contracts where appropriate and/or where special conditions may be imposed by a vendor. Procurement Services will deem which supplemental documents are necessary and appropriate and will forward those to University Counsel for review and approval in conjunction with issuing a Purchase Order. The University’s President or Executive Vice President are the only individuals authorized to execute contracts or agreements on behalf of the University.
Correspondence With Vendors

All correspondence pertaining to a Purchase Order which has been placed, and which involves prices, terms, conditions, delivery, quantity, substitutions, complaints, or anything whatsoever involving the commitment, will be the responsibility of, and will be accomplished by, Procurement Services. The requisitioning department, in accordance with the Code, may obtain copies of any correspondence with vendors by SCPS and/or Procurement Services concerning prices. However, it is University practice that Procurement Services has final responsibility to verify and conclude all negotiations concerning prices and conditions of all procurements and contemplated procurements.

During open solicitation processes, all inquiries from a prospective vendor regarding the solicitation must be directed to the procurement officer conducting the solicitation. Information regarding a solicitation is to remain confidential until an award is final. Based on the method of source selection, various individuals may be asked, under the direction of the procurement officer, to be involved with discussions or negotiations with prospective vendors.

Direct Payment Authorization (DPA)

The Direct Payment Authorization form shall be used for vendor invoices in amounts of $5,000.01 up to and including $10,000.00 where the use of the p-card is unavailable, unless exempted (see Exemptions section). This form is completed with all pertinent approval signatures and sent directly to Accounts Payable, along with the invoice and other required documentation as required under the Dollar Limit Guidelines section of these procedures.

Dollar Limit Guidelines

The following guidelines shall apply to all purchases of supplies and services, unless exempted. In determining the appropriate dollar limit, shipping or freight charges are included but applicable taxes are not included. In cases where the purchase obligation is for multi-years, the dollar limit is determined by the potential cost for all years.

- Purchases up to and including $5,000.00

  Purchases may be made without securing competitive bids if the prices are considered to be fair and reasonable. In determining that the price is fair and reasonable, the purchaser may use prior experience (e.g., comparison with prices paid previously for the same or similar items, familiarity with the product/service based on frequent purchasing) and does not have to do any further evaluation or analysis. However, if the purchaser has some indication that the price may not be reasonable or if the product or service is such that comparable pricing is not readily available, the purchaser should seek pricing information and attach this documentation to the quote or invoice (see acceptable pricing references in the following section). When practical, a quotation must be solicited from other than the previous supplier before placing a repeat order.
• Purchases from $5,000.01 up to and including $10,000.00

Purchases within this dollar range will require a minimum of two (2) price references in addition to the quote under consideration. These references do not necessarily have to be written quotes from a prospective vendor, but may be in the form of Internet pricing, email responses, vendor catalog pricing, or telephone quotes. For those situations where it is not possible to obtain pricing information, an approval for the purchase must be obtained from Procurement Services, with an appropriate justification, through the use of a Request For Single Source Pricing form. When practical, a quotation must be solicited from other than the previous supplier before placing a repeat order. The reference information should be attached to the quote or invoice for processing, or included with the supporting documentation that is attached to monthly p-card statements.

• Purchases of inventoriable items, regardless of cost

All items which are to be tagged and placed into University inventory are to be purchased by Procurement Services using the Purchase Requisition process. Supporting documentation, as needed per the dollar levels outlined above, should be attached and forwarded with the Requisition. Inventoriable items include:

- All guns (regardless of cost)
- Computers, printers, musical instruments, vehicles – cost of at least $500.00
- Golf carts, plasma monitors, artwork, projectors, camcorders, cameras – cost of at least $1,500.00
- Furniture and equipment, telephone equipment, movable construction equipment – cost of at least $5,000.00

• Purchases or the acquisition of supplies and services with a vendor-provided contract or agreement, regardless of cost (section includes speakers and entertainers)

These purchases will be handled by Procurement Services using the Purchase Requisition process. Supporting documentation as needed per the dollar levels outlined above, including unsigned vendor-provided contracts or agreements, should be attached and forwarded with the Requisition. Procurement Services will deem which supplemental agreements are necessary and appropriate and will forward those to University Counsel for review, approval, and execution. Purchases in this category may require a Certificate of Insurance from the vendor prior to the issuance of a Purchase Order. (Also see section on Contracts or Agreements Provided By Vendors.)

• Purchases over $10,000.00

These purchases will be handled by Procurement Services through an appropriate method of source selection provided in the Code. For purchases within the University’s procurement certification limits, solicitations will be conducted by Procurement Services. Purchases which exceed the University’s procurement certification limits will be conducted by the appropriate division of SCPS, with coordination through Procurement.
Services. All solicitations will be advertised at least once in the SCBO publication and posted on the Procurement Services website and/or the respective SCPS division website. Awards will be made in the manner dictated by the Code for the selected method of source selection.

Completion and submission of a Requisition is necessary to initiate the solicitation process for these purchases.

**Electronic Applications**

Due to the potential legal issues created by the requirements of certain vendors in connection with the purchase of electronic applications (such as utilized on iPhones®, iPads®, and Blackberries®), the use of the p-card or other direct payment methods to purchase such electronic applications is prohibited.

In order to purchase business-related applications via personal accounts (such as iTunes®), users are required to utilize personal credit cards and request reimbursement from the University using the Personal Reimbursement form. Purchases also require the prior approval of a representative within the Information Technology Services area or the designated Information Resource Consultant (IRC).

It should be understood that the user and not the University will be accepting the terms and conditions that are required by the vendor with the purchase and prior to the download of the application.

In addition, due to the ability to move applications from University-owned devices to personal devices, users requesting reimbursement will be required to sign a statement indicating that if the application is moved from a University-owned device due to termination of employment for any reason, the user will reimburse the University for the purchase. Department budget officers will be responsible for overseeing these requirements upon termination of the individual’s employment.

As applicable with all other situations, the purchase of goods or services for personal use using University funds is prohibited.

**Emergency Requisitions**

In the event of an emergency, a properly executed Requisition must be submitted to Procurement Services by the most expeditious means consistent with the emergency. In the case of critical emergencies where telephone communication is feasible, and where pricing can be accommodated by telephone, an appropriate official should contact Procurement Services stating the requirement and the date the service or item is needed. Upon receipt of the Requisition, Procurement Services will determine the method and source to meet the requirement, will assign a Purchase Order number to initiate the transaction, and will expedite the procurement process to the extent possible.
Exemptions

Under the guidelines of the *South Carolina Consolidated Procurement Code* and related published exemption lists provided through South Carolina Procurement Services, certain types of purchases shall be declared exempt from the general procurement procedures of the University.

Procurement Services will publish, maintain, and revise a list of the allowable exemptions under a separate document entitled “Exemptions to the Procurement Policies and Procedures”.

Invoices for expenditures that fall within these exemption guidelines may be sent directly to Accounts Payable without the need for processing through the Purchase Requisition system or the use of a Direct Payment Authorization (DPA). University budget account numbers are to be placed directly on the invoice along with the signatures of the Budget Officer and all other approval areas based on the nature of the expenditure (Vice Presidents, ITS, Grants, Deans, and/or Department Chairs). The notation “Exemption #XX” shall also be placed directly on the invoice with the corresponding number noted below.

These exemptions do not apply to situations involving purchases of goods that are inventoriable or purchases of goods and services that involve a vendor-provided contract or agreement. These types of purchases must be processed through the Purchase Requisition system.

Even though a purchase may fall within one of these exemption guidelines, the obtaining of additional pricing from various sources is highly encouraged.

Grant Funds (Procurements Using) and Grant Specified Exemptions

As provided for in this procedures manual, the procurements of supplies, goods, and services are to be made according to the policies, procedures, and guidelines outlined in the Code. As such, competitive bidding and pricing is the generally required method of procurement.

However, the University has obtained the authority to utilize a grant specified procurement exemption based on adherence to the procedures outlined below. Exemptions will be limited to the purchase of grant-specified and approved major equipment, subcontracts, and consultants determined to be essential to the successful completion of the grant-funded project. “Grant” means the furnishing by the State or the U.S. Government of assistance, whether financial or otherwise, to support a program authorized by law. Therefore, the exemption will only apply to grants from public entities.

The following procedures must be followed and/or criteria met in order to obtain this exemption:

1. The Principal Investigator will provide a written justification as to why a particular piece of equipment, subcontract, and/or consultant is/are essential and critical to the successful completion of the grant-funded project. Equipment
and/or services available from multiple vendors should not be included. The following are examples of potentially acceptable scenarios:

- the requested product is an integral part or accessory to existing equipment;
- the requested product or service has unique design, performance, and/or quality specifications that are essential to a particular research protocol or teaching needs and are not available in comparable products;
- the requested product or service is essential in maintaining research continuity;
- the requested service or system requires a supplier with unique skills or experience.

The justification must include a statement indicating that no collusion or favoritism exists with the prospective vendor and that there is no conflict of interest.

2. The justification shall be included with the grant proposal and submitted within the University’s electronic software system for grants processing.

3. The justification along with the other grant proposal documents will be reviewed and electronically approved by the Office of Research Services, the appropriate Department Chair and Dean, Vice President, University Counsel and Executive Vice President. The Director of Procurement Services will provide electronic approval with regards to the appropriateness of the justification for compliance with the exemption.

All transactions utilizing the exemption shall be available for audit by SCPS.

Absent of approval of the exemption, the equipment and/or service shall be acquired in accordance with the competitive processes outlined in this procedures manual and the Code.

**Lease and/or Rental of Office Space and Other Real Property**

All requests for lease of office space or other real property must be submitted by the University to the SCBCB, Division of General Services, Real Property Management Section, for negotiations. However, the University may enter into any lease agreement or renew any lease agreement up to one hundred thousand dollars ($100,000.00) annually for each property or facility without the approval of the SCBCB.

**Multi-Term Contracts**

A multi-term contract is used when it is in the best interest of the University to obtain uninterrupted services extended for more than one fiscal period, where the performance of such services involves high start-up costs, or when a changeover of service contracts involves high phase-in/phase-out costs during a transition period. The multi-term method of contracting is also appropriate when special production of definite quantities of supplies for more than one fiscal year is necessary to best meet the need, but funds are available only for the initial fiscal period. This procedure applies only to contracts for supplies or services. The maximum time for any
multi-term contract is five years. The Director will determine, in writing, whether a contract should be classified as a multi-term contract.

A contract is not a multi-term contract if no single term exceeds one year and each term beyond the first requires the governmental body to exercise an option to extend or renew. However, no contract should exceed a total potential duration in excess of five (5) years unless it has received prior approval as specified in the Code.

**Office Supplies (Departmental Purchases of)**

The University has chosen a preferred office supply vendor from the State of South Carolina contract for desktop delivery of office supplies, and orders should be placed with this vendor. Procurement Services will send notifications periodically on changes or additions to this program.

**Payment Methods for Items Up To and Including $10,000.00 (unless exempt)**

- $5,000.00 and less
  1. May be made with a p-card as long as the cardholder has a sufficient single transaction limit and the transaction is an allowable p-card purchase. By using a p-card, the cardholder and budget officer are certifying that the price paid is fair and reasonable.

  -OR-

  2. Invoices may be sent directly to Accounts Payable for processing. University budget account numbers are to be placed directly on the invoice along with the signatures of the Budget Officer and all other approval areas based on the nature of the expenditure (Vice Presidents, ITS, Grants, Deans, and/or Department Chairs). By approving the expenditure, the budget officer is certifying that the price paid is fair and reasonable.

- $5,000.01 up to and including $10,000.00

  1. May be made with a p-card as long as the cardholder has a sufficient single transaction limit and the transaction is an allowable p-card purchase. By using a p-card, the cardholder and budget officer are certifying that the price paid is fair and reasonable and that supporting documentation, approvals, and price references (if applicable), as required (see section on Dollar Limit Guidelines), have or will be attached to the cardholder’s monthly p-card statement.

  -OR-

  2. Invoices may be sent directly to Accounts Payable for processing with completion of a Direct Payment Authorization form (DPA). The invoice and other required documentation (see section on Dollar Limit Guidelines) should be attached to the DPA
prior to forwarding to Accounts Payable. By approving the expenditure, the budget officer is certifying that the price paid is fair and reasonable and that supporting documentation, approvals, and price references (if applicable), as required, have or will be attached to the DPA.

Payment via the p-card is the preferred method for expenditures up to and including $10,000.00 unless there is a situation involving an insufficient p-card limit, vendor non-acceptability, and/or an exhausted monthly limit.

**Prison Industries (Purchases From)**

Supplies and services offered by the South Carolina Department of Corrections – Division of Prison Industries are to be first in consideration when potential purchases occur. Currently, this agency offers a wide selection of office furniture and services such as framing. Purchases from this agency are exempt from the Code and therefore do not fall under the requirements of the Dollar Limit Guidelines unless inventorable.

**Procurements by Type - Special**

- **Art Procurement** - Before the University procures any art objects such as paintings, antiques, sculptures, or similar objects exceeding $1,000.00, the President of the University will prepare a written determination specifying the need for such objects and benefits to the University. The South Carolina Arts Commission, acting on behalf of the SCBCB, will have the responsibility to review such determination for approval prior to any acquisition.
- **Conference Facilities** - Prior to entering into a contract for both in-state and out-of-state facilities, a written determination of the site selection must be made using a Justification For Conference Site Selection (form No.138). This applies to all hotel or motel facilities regardless of the naming of the event (e.g., meeting, seminar, conference, workshop, retreat, etc.). This determination will be attached to the Requisitions and retained by the OPBS.
- **Equipment Leases** - When entering into an agreement other than an outright purchase, a justification in writing is required. Lease, lease/purchase, installment purchase, or rental agreements are subject to the Code. Within these requirements is the stated use of the State of South Carolina Standard Equipment Agreement, unless the agreement has a total potential value of $15,000.00 or less, or the agreement does not exceed ninety (90) days in duration.
- **Food Service Contracts** - Any food service contracts entered into will be solicited under the guidelines of the Code.
- **Furnishings (for President or Executive Vice President)** - Under the Code, the purchase of furniture, floor coverings, wall coverings, or any other decorative or ornamental item by a governmental body for at least one of the following uses will be reported to and approval obtained from the Board of Trustees before the purchase, when the cost of the furniture, coverings, or items exceeds $1,000.00:
• In an office or adjoining reception area utilized by the University President or Executive Vice President; or
• In a boardroom or a conference room used as a boardroom.

- Legal and Audit Services - Procurement of legal and auditing services will be made in accordance with the Code. Prior to the award of any State contract for the services of attorneys, approval for such services will be obtained from the South Carolina State Attorney General. Prior to the award of any State contract for audit services, approval for such services will be obtained from the South Carolina State Auditor.

- Memberships and Subscriptions - It is the general policy of the University that all memberships and subscriptions must be purchased in the name of the University and must be directly related to the mission of the department for which the membership or subscription is purchased. It is also the policy of the University to pay dues for only those professional organizations in which the University maintains an institutional membership.

Exceptions to the general policy regarding the purchase of institutional memberships may be made under the following circumstances:

• in those few cases where a professional organization does not offer institutional memberships and where the membership would be of value to the University, or
• where an institutional membership is very costly and the membership advantages could be most economically obtained by purchasing the membership in the name of an individual staff or faculty member.

In such cases, and if in the opinion of the department head, one or both of the above criteria apply, and it is the desire to have the University pay the staff member's membership dues, the department head should certify on the invoice that the circumstances have been investigated and the manner in which the circumstances meet the specific criteria. Upon such certification, the dues may be paid.

**Purchase Orders**

Each Requisition processed by Procurement Services generally results in the issuance of a purchase order. A properly executed purchase order, along with the accompanying terms and conditions, constitute a contract which is binding on both the University and the vendor and becomes the formal record and reference document for the actual purchase transaction. This set of documents gives legal protection to the University and provides legal reference and backup in disputes arising from problems with shipping, quality, damage, etc.

In certain situations, Procurement Services will issue a blanket purchase order. A blanket purchase order is a simplified method of filling anticipated repetitive needs for small quantities of miscellaneous supplies, services, or information technology by establishing “charge accounts" with qualified sources of supply. Blanket purchase orders are designed to reduce administrative costs in accomplishing small purchases by eliminating the need for issuing individual purchase documents. To the extent practicable, the University will allow blanket purchase orders for items of the same type to be placed concurrently with more than one supplier.
At the time a purchase order is entered into the University’s accounting system to be printed for processing, the system also encumbers the amount of the purchase order against the departmental budget of the expenditure account specified on the Requisitions and the resulting purchase order. The amount(s) will be encumbered against the specific classification code(s) contained in the account number. Whenever supplies and/or services have been received and payment is made for the item(s) purchased, the encumbrance will be removed and the final and actual charges made to the appropriate expenditure account(s).

**Purchase Requisitions**

The Purchase Requisition form is the official University document to be used to initiate a purchase transaction for supplies, equipment, and services unless other provisions have been allowed within other sections of these procedures.

The Purchase Requisition should be properly completed and contain specific and complete details on the product or service desired, including such things as quantity, item(s), specifications, and required delivery date. If applicable, quotes and other supporting documents should be attached to the Requisition for processing. The Requisition must be routed to the appropriate areas for approval before being received by Procurement Services, as outlined in the Approvals section of these procedures.

Separate Requisitions should be provided when different vendors are to be utilized. When Procurement Services conducts a solicitation process to determine the awarded vendor, the Requisition initiator may enter a suggested vendor name.

Requisitions are received in Procurement Services by the Administrative Specialist. They are then routed to the Director who distributes them to the Procurement Specialists. The Procurement Specialists will then secure bids or proposals or make small purchases per the guidelines of the Code and University procedures.

Procurement Services will not begin processes for purchases or solicitations without first receiving a completed Requisition.

**Purchasing Card Program**

The University maintains a Purchasing Card Program which is designed to assist with managing low-dollar purchases (up to and including $10,000.00) of such things as supplies, dues, subscriptions, repairs, FedEx/UPS charges, and airline tickets. Policies and procedures related to this program are contained in the University’s Purchasing Card Program manual.

**Sales Tax**

The University is not exempt from paying State of South Carolina sales taxes, except in cases involving the purchase of research and development equipment and where a Sales Tax Exemption Request form has been completed and approved by the University Controller.
For purposes of determining applicable amounts under the Dollar Limit Guidelines section of these procedures, State sales tax should not be included in the total. Charges for shipping, freight, labor, etc., should be included.

**Specifications**

The specifications for the requirement considered essential to satisfy the user's need is the initial responsibility of the requisitioning unit. Procurement Services will assist in formulating the specifications. The final decision on the specification for the purchase is a joint responsibility and requires the joint approval of the requisitioning unit and Procurement Services. It is University practice to submit specifications in a manner which will permit fair and equitable consideration from all known sources qualified to meet University requirements. Procurement Services will consult with administrative officers, competent specialists, or secure such technical assistance as is required to arrive at a decision.

**Statewide Contracts**

Statewide contracts are those for supplies and services which have been established for all State agencies as a result of solicitations processed and administered by departments within SCPS. Items that can be found on statewide contracts must be purchased from the vendors listed on said contracts. A listing of items may be found online through the SCPS web site, or Procurement Services may be contacted for assistance. Purchases made through statewide contracts are not subject to the requirements of the Dollar Limit Guidelines section of these procedures unless inventoriable.

No additional agreements or terms and conditions should be processed in connection with purchases from statewide contracts. Procurement Services should be contacted if such requests are received from the statewide vendor.

**Ten Percent (10%) Rule**

The “10% Rule”, as it is known, provides that with respect to items found on statewide contracts, purchases may be made from other vendors if the price is at least 10% less than the statewide contract; however, the following conditions must be met: (1) the statewide vendor (or vendors, if multiple contracts exist) shall be given the opportunity to match the lower price; and (2) the terms and conditions of the statewide contract shall be matched and agreed to by the lower-priced, non-statewide vendor. To document the second requirement, the state has implemented the use of a separate document which requires the non-statewide vendor to certify by signature that they have read the term contract and agree to be bound by its conditions.

Due to the requirement of this form, and the subsequent reporting of these transactions to the State by the University on a quarterly basis, the pre-approval of these “10% Rule” transactions by Procurement Services is necessary. In most cases, this process will require the submission of a Purchase Requisition. If Procurement Services determines the “10% Rule” purchase is
warranted, it will assist with completion of the form. However, if the non-statewide vendor decides not to agree to the requirements, the “10% Rule” purchase request will be denied.

As required, Procurement Services shall report such expenditures on a quarterly basis to SCPS.

Trade-Ins

In accordance with the Code, when the original unit purchase price of personal property exceeds $5,000.00, the matter is referred to the State Property Management Office for trade-in approval or other direction. When the original unit purchase price does not exceed $5,000.00, the Director will approve the trade-in value of personal property for the purchase of like-new items. Trade-in procurements are reported quarterly to SCPS.

Vendor Complaints

When it is felt that a vendor has not satisfactorily delivered the supplies/services as requisitioned, the following procedures should be followed:

- Departments must build a detailed file on each issue, documenting specific dates and occurrences. The file should include records of conversations, copies of correspondence, deadline dates versus completion dates, and other significant data that may provide the necessary supporting documentation for filing a complaint.
- File information shall be forwarded to the appropriate procurement specialist within Procurement Services.
- The procurement specialist will review the file and make the initial contact with the vendor as soon as possible. This contact will be in the form or an email or formal letter. The vendor will be asked to respond to the complaint within a reasonable period of time, not to exceed ten (10) days.
- If the vendor has not remedied the complaint or provided a timeline for remedy, the procurement specialist will forward the file to University Counsel for review.
- In the event the complaint involves supplies/services obtained through a statewide contract, the file will be referred to the appropriate contract administrator with SCPS.

END OF PROCEDURES: PROCUREMENT
C. PROCEDURES: CENTRAL RECEIVING

The function of Central Receiving is to receive materials and equipment; inspect items received for quantity, quality, condition and any special specifications as indicated on the related purchase order; deliver received material to requesting University departments; ship items to be returned to vendors; process loss, shortage, and damage claims to the carriers with notification to vendors; and coordinate and consolidate delivery of bulk inventory items.

Authority

Central Receiving is a division of Procurement Services and is under the direct supervision and management of the Manager of Central Receiving, who reports to the Director of Procurement Services.

Bulk Supply Items

Central Receiving maintains a bulk supply of report paper and interdepartmental envelopes for use by all departments throughout the University. To obtain bulk supply items, a Supply Requisition form must be completed by the requesting department, approved by the Department Head, and processed through the normal administrative channels. Central Receiving will charge the respective department’s budget account.

Central Location for Receipt of Shipments

All shipments for all equipment and supplies ordered by University departments shall be directed to the following address:

Coastal Carolina University
Central Receiving
642 Century Circle
Conway, SC 29526

Departments are requested not to advise vendors to make direct shipments to the department if the order calls for delivery to Central Receiving.

However, on occasion, it may be feasible for extremely large pieces of equipment, large quantities of supplies, or specialty items to be delivered directly to the ordering department or separate location. These shipments should be coordinated through Central Receiving and/or the buyer within the Procurement Services responsible for the order. Receipt of these shipments should follow the guidelines specified in the Receipt of Shipments section.

In addition, shipments to University departments may be directed to those areas staffed for specific purchasing functions and having receiving facilities (e.g., food services operations, library, and bookstore).
Outgoing Shipping

Departments must use a Purchase Requisition for materials that are to be shipped from the University but which cannot be shipped through Mail Services. The Department must forward the completed form to Central Receiving, which will obtain a purchase order from Procurement Services if the shipment terms are prepaid freight. Departments must call Central Receiving to expedite handling of next day freight.

Receipt of Shipments

Central Receiving receives materials and equipment; inspects items received for quantity, quality, condition, and any special specifications as indicated on the Purchase Order; and signs the Receiving Report. Receiving reports, freight bills, and packing slips are forwarded to Accounts Payable for attachment to invoices for payment.

Central Receiving also delivers the material to the requesting department; ships items returned to vendors; and processes loss, shortage, and damage claims to the carriers with notifications to vendors.

In the event a delivery does bypass Central Receiving, or is picked up from a vendor as in a case of an emergency, and is accepted by a department, the department must notify the Manager of Central Receiving at once so that document processing can be completed. Central Receiving will note on the Receiving Report that the items were not processed through Central Receiving and that the specifications were verified by the requesting department.

For those items not received directly by Central Receiving, it is the responsibility of the individual submitting the requisition to immediately inspect and report to Central Receiving any problem concerning the shipment.

Central Receiving is not authorized to accept personal shipments for University personnel. The individual ordering such items must be sure to direct the company to ship the items directly to the individual at his or her home address.

Temporary Storage

Normally, Central Receiving will deliver all received items to the department within three (3) days from time of receipt unless otherwise notified. Central Receiving is not intended as a storage source; however, on occasion, it may not be possible for a department to accept immediate delivery. In that instance, the shipment may be held in Central Receiving on a temporary basis. When a department foresees such a situation, it should be so noted on the original Requisition, and advance arrangements should be made by contacting Central Receiving. Because holding space in Central Receiving is limited, departments must make every effort either to accept all shipments at time of receipt or to accept all temporarily stored material at their earliest opportunity.
END OF PROCEDURES: CENTRAL RECEIVING
D. PROCEDURES: INVENTORY CONTROL

The control of equipment subject to inventory is the responsibility of the Manager of Central Receiving.

Annual Review of Inventory

Each year, two copies of each department’s inventory listing will be prepared by the Manager of Central Receiving and provided to each Department Head to be used to conduct a physical inventory of all inventoried equipment for his or her department. The Department Head will conduct or ensure that a designated Department Inventory Control Officer conducts a physical inventory of that department’s equipment on the inventory listing. A signed copy of the listing will be returned to the Manager of Central Receiving. This signature will certify that all equipment is located in the department, or approve the explanation for, and/or disposition of, any missing items.

Changes in Inventory

The Department Head must notify the Manager of Central Receiving, in writing, of the removal, relocation, or transfer of equipment from the department or from one location to another. Upon this notification, the Manager of Central Receiving will complete a Request for Removal/Transfer of Equipment, which will then reflect an appropriate change on the inventory report for that department and on the records of another department as appropriate.

Disposition of Property and Supplies

To remove an item from a department’s inventory, the department must complete a Property Disposal Request. The form is signed by the Department Head and forwarded to the Manager of Central Receiving for appropriate action. Obsolete supplies, equipment, and scrap materials or "junk" will be stored, classified, and listed until such time as they can be disposed of according to guidelines of the Surplus Property section and/or the State of South Carolina Surplus Property Regulations.

Foundations Purchases

Items purchased and paid for by the Coastal Educational Foundation, Student Housing Foundation, or the Chanticleer Athletic Foundation are not inventoried by the University unless the ownership of the item is transferred to the University, and the value falls within the guidelines noted in the Tagging of New Equipment section.

Gifts

If an item is donated to the University, a Property Gift Record form is completed by the University Controller in cooperation with the Vice President of Philanthropy. The Director should be consulted to assist in the proper valuation of equipment obtained as a gift. All
appropriate and prudent measures, including the consideration of a professional appraisal, should be taken to determine a fair and reasonable evaluation of the item.

**Lost or Stolen Equipment**

If an item of equipment is discovered to be lost or stolen, the department will immediately report the loss or theft to the Department of Public Safety and to the Manager of Central Receiving. The Manager of Central Receiving will complete a Report of Equipment Loss or Theft form and send a copy to the Department of Public Safety for action. It is essential that such loss or theft of property be tracked and that reminders are posted in various University bulletins and/or other appropriate media.

The supporting documentation of the loss or theft will be held until the Annual Review of Inventory. If the item has not been recovered, it will be reported as such and will be removed from inventory, subject to the proper approvals and adjusting accounting entries.

**Periodic Review of Inventory**

Periodically the Manager of Central Receiving may conduct random verification of a department’s equipment inventory reports using the following procedures:

- The Manager of Central Receiving will notify a Department Head several weeks in advance that a review and verification of inventory will be performed. Each Department Head will be given a copy of that department's inventory to be reviewed.
- During the review, the Manager of Central Receiving will note any discrepancies in accounting for inventory and will advise the Department Head of such. If an item of equipment cannot be found, the Department Head will be requested to sign verification of this information. In cases of large discrepancies, a written report will be sent to the Vice President of Finance and Administration, and, subsequently, to the President of the University.
- The Manager of Central Receiving will update the department inventory and provide the Department Head a copy of the equipment listing for that department.

**Reporting and Accounting of Surplus Property**

Pursuant to the procedures provided by the *South Carolina Consolidated Procurement Code*, within one hundred eighty (180) days from the date property becomes surplus, it must be reported to the State Surplus Property Management Office (SPMO) on a turn-in document (TID) designed by that office. Upon receipt of the TID, the SPMO will schedule and conduct screening of the property and determine whether it can be traded-in (if previously requested by the University), sold as surplus, or junked.

Property determined to be surplus will be scheduled for relocation to and sale by the SPMO, or will remain at the University’s location for disposal if so determined by the SPMO.
At the time the property is screened by the SPMO, it is determined to be officially received by that body. The University will delete any insurance in existence on such property and will delete such property from its fixed asset records at this point of transfer.

Sale of Property to Retiring University Employees

Under the guidelines of the *South Carolina Consolidated Procurement Code* and the directives of the State General Services Division – State Surplus Property Office, the sale of surplus University-owned property to retiring University employees will be allowed subject to the following conditions:

- To qualify for the purchase of University-owned property, an employee must have formally stated an intention to retire from active service within ninety (90) days and be eligible to receive State retirement benefits or disability retirement benefits immediately upon leaving active service.
- Property request for purchase by a retiring University employee must be declared, in writing, to be a surplus to the agency, by the President.
- A retiring employee may only purchase property assigned to and used by the employee while in University service. A written statement from the President attesting to the assignment of such property during active service and a justification as to why the employee should receive special treatment with respect to a particular piece of property must be part of the Request to Purchase filed with the State Surplus Property Office.
- A retiring employee is limited to the purchase of one (1) item of equipment, except where the State Surplus Property Office and the requesting agency determine that a logical grouping exists (e.g. boat with motor and trailer, desk with credenza).
- All proceeds from such sales minus State surplus fees or charges will be returned to the State General Fund, unless the University justifies a need to retain the funds to finance replacement surplus property that has exceeded replacement schedule or useful life cycle.
- Motor vehicles considered for sale to a retiring University employee must meet disposal criteria established by State Fleet Management. Replacement schedule or disposition life cycle of vehicle (i.e., minimum mileage or vehicle age) shall be those in effect at the time of the proposed sale.
- Any property that has a specified replacement schedule whether by age, mileage, or useful life cannot be declared surplus for employee purchase unless minimum life cycle requirements for surplus disposition and sale have been met.
- The established sale price, plus applicable taxes, shall represent the most accurate or current assessment of the value of the asset. Any deviation from this standard must be supported by a written determination and approved by the State Surplus Property Office.
- The State Surplus Property Office may approve purchases of $2,500.00 or less (based on appraisal). The State Budget and Control Board’s approval is required for purchases over $2,500.00 and up to and including $5,000.00. In no circumstances will retiring employees purchase University property valued in excess of $5,000.00.
**Surplus Property**

Before any item declared as “surplus” by a University department is sent to Central Receiving for storage, the Department Head must provide written notification to the Supply Manager showing the description and category of use (designation) of the item(s). The materials will not be picked up for storage without a designation(s) such as the following:

- **Convenience Storage** - These are items which are used periodically or seasonally and are requested to be stored in a warehouse as a matter of convenience. A specific time frame must be stated (not to exceed six months).
- **Available for Use** - These are items that are in usable condition but are no longer needed by the department to which they were previously assigned. They are available for use elsewhere in the University on a first-come-first-serve basis.
- **Disposal** - These are items that are worn out and/or can no longer be used by any department within the University. The Manager of Central Receiving will determine the method of disposal of such items as required by State regulations.

Items noted as Available For Use may be viewed in Central Receiving and/or found on this department’s website. If necessary, a work request for moving heavy items must be completed through the University’s Facilities area.

**Tagging of New Equipment**

Central Receiving will ensure that each item received is tagged before delivery to the department based on the following guidelines:

**Items which receive a black/white inventory tag:**

- **Object code 5507** – Tagged Supplies: computers, printers, vehicles, guns
- **Object code 5532** – Musical Instruments less than $5,000.00
  - Guns – tagged regardless of cost
  - Computers, printers, musical instruments, vehicles – cost of at least $500.00, but less than $5,000.00
  - Golf carts, plasma monitors, artwork, projectors, camcorders, cameras – cost of at least $1,500.00, but less than $5,000.00

**Items which receive a blue inventory tag (with a cost of over $5,000.00):**

- **Object code 5601** – Furniture/Equipment
- **Object code 5602** – Computer Hardware
- **Object code 5604** – Telephone Equipment
- **Object code 5607** – Motor Vehicles
- **Object code 5609** – Other Equipment
- **Object code 5732** – Construction Equipment – Movable
- **Object code 5532** – Musical Instruments less than $5,000.00
Technology-Related Fixed Asset Items

Transferring a technology-related fixed asset item (computer, printer, projector, etc.) to a different University location:

1. A work order must be entered on-line through ITS describing the requested transfer.
2. The responsible IRC will complete a Computer Transfer or Location Move form and forward it to Central Receiving, as well as the appropriate sending and receiving departments.
3. Central Receiving will complete the inventory transfer immediately unless it is notified of non-acceptance.

Placing a technology-related fixed asset item into surplus:

1. A work order must be entered on-line through ITS describing the request.
2. The responsible IRC will be required to wipe clean any hard drives and/or other memory modules and verify this action by completing the Data Removal Sheet and forwarding it to Central Receiving.
3. The IRC will complete the Computer Transfer or Location Move form and forward to Central Receiving.
4. Central Receiving will schedule a pick up time for the item.
5. For items that do not contain vital information on a hard drive or other memory module, the department may e-mail Central Receiving directly and indicate the University’s inventory control number of the item, the item description, and a statement as to the operability of the item.

Outside of either of the above procedures, if an item leaves the assigned area for any reason, documentation of such move should be taken and signatures obtained from the receiver and mover of the item.

Central Receiving is to be notified of all inter-department movement of items.

END OF PROCEDURES: INVENTORY CONTROL