



## **PROCUREMENT SERVICES**

### **POLICIES AND PROCEDURES**

**Revised June 11, 2020;**

**Approved by  
State Fiscal Accountability Authority -  
Division of Procurement Services\*<sup>1</sup>**

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<sup>1</sup> South Carolina Code of Laws section 11-35-540 (3) provides: “Approval of Operational Procedures. Governmental bodies shall develop internal operational procedures consistent with this code; except, that the operational procedures must be approved in writing by the appropriate chief procurement officer. The operational procedures must be consistent with this chapter. Operational procedures adopted pursuant to this chapter are exempt from the requirements of Section 1-23-140.”

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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 UNIV-BUFA-441, 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*<sup>2</sup> 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.

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<sup>2</sup> The *South Carolina Consolidated Procurement Code* appears in Title 11, Chapter 35 of the South Carolina Code of Laws. Procurements subject to this Code are also governed by procurement regulations promulgated by the South Carolina State Fiscal Accountability Authority. These regulations appear beginning with Section 19-445.2000 of the South Carolina Code of Regulations. Within the context of this University policy, the meaning of the "South Carolina Consolidated Procurement Code" or "Code" will be the combined sections of the S.C. Code of Laws and the S.C. Code of Regulations found in the sections so noted.

## **SUMMARY:**

**It is the policy of the Coastal Carolina University Office 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 the 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.**

### **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 State Fiscal Accountability Authority, 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 those specified in Section 11-35-1550 of the South Carolina Code of Laws, which are not under term contracts, if they have received certification to do so from the South Carolina State Fiscal Accountability Authority (SFAA). This “certification” is a reference to a certificate which is issued by the SFAA to memorialize its grant of procurement authority in adherence to requirements specified

in Section 11-35-1210 of the South Carolina Code of Laws. 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 SFAA 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, as well as purchasing limits of authority for individual procurement managers and officers, shall be maintained by Procurement Services and posted in Atlantic Hall as well on the department's website, <https://www.coastal.edu/procurement/>.

### **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 of the University with advice from University Legal Counsel, if the exception is determined 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 with advice from University Legal Counsel.

### **Construction Procurements**

All construction procurements less than the University’s certification limit as granted by the South Carolina State Fiscal Accountability Authority will be initiated by the Director of Facilities Planning and 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 Division of Procurement Services–Office of State Engineer for processing. The Director of Facilities Planning and Management is responsible for developing the construction requirements, obtaining architectural/engineering assistance, and coordinating with the South Carolina Commission on Higher Education, South Carolina Division of 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 Division of 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) who will then obtain subsequent review and approval of 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 State Fiscal Accountability Authority. 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.

### **Federal Fund Purchases**

Purchasing for activities funded through Federal sources is accomplished by adherence to Section 11-35-40 (3) of the *South Carolina Consolidated Procurement Code*, as well as University purchasing practices and procedures, any other requirements imposed by the terms of the grant, contract, or other Federal regulations. The project manager/principal investigator is accountable for compliance with all terms and conditions of the grant or contract. Federal funds are generally designated by special account numbers generated by University Financial Services.

### **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 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 President will secure any other administrative and State approval for

acceptance. The department should not accept such items until all appropriate approval is received.

### **Grant Specified Exemption Certification**

*The South Carolina Consolidated Procurement Code* provides for an exemption for Grant Specified Procurements (exemption number 1994.03.22) which are defined as “...exempted procurements made by a requesting agency for the purchase of grant-specified and approved major equipment, subcontracts, and consultants the agency determines to be essential to the successful completion of the grant-funded project if those procurements are made in accordance with the procedures approved by the [South Carolina Division of Procurement Services] Office of [Audit & Certification] on an agency-by-agency basis.”

“Grant” means the furnishing by the State or the United States Government of assistance, whether financial or otherwise, to a person to support a program authorized by law.” S.C. Code Ann. §11-35-310 (19). Accordingly, this exemption applies only to grants from public entities.

In order to qualify for this exemption, the grant must identify the specific item, manufacturer, or person (if consultant) to be procured. An approved Grant Specified Exemption Certification form must be completed and processed per the Grant Specified Exemption Procedures found in the University Procurement Procedures. With appropriate justification and approval, the exemption may be applied and no further quotes or solicitations are required.

### **Minority Business Enterprise (MBE) Utilization Plan**

The University’s Minority Business Enterprise (MBE) 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. An MBE Utilization Plan for the University is filed annually with the South Carolina Division of Small and Minority Business Contracting and Certification (SMBCC). Additional 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 must be a public record to the extent required by the *South Carolina Freedom of Information Act*, except as otherwise provided in the South Carolina Consolidated Procurement Code, and 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, all of which serve to meet the University's mission of teaching, research and public service.

### **Purchase Requisition System**

The Purchase Requisition is the official University medium 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 South Carolina Division of Procurement Services on a quarterly basis. Sole source and emergency procurements will be made in strict compliance with the definitions and public notice requirements of the *South Carolina Consolidated Procurement Code*.

- 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. Public notice of an intended sole source procurement must be posted in South Carolina Business Opportunities for at least five (5) business days before entering a contract for procurements over fifty thousand dollars (\$50,000.00) and ten (10) business days for procurements over two hundred fifty thousand dollars (\$250,000.00). Notices must contain a statement of the right to protest as provided by 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 an immediate 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 functioning of the University; 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 is practicable under the circumstances and shall be limited to those supplies, services, information technology, or construction items necessary to meet the emergency. When an emergency procurement has a total or potential value in excess of fifty thousand dollars (\$50,000,00), notice of the procurement must be posted in South Carolina Business Opportunities as soon as practicable thereafter and must contain a statement of the right to protest as provided by the *South Carolina Consolidated Procurement Code*.
- 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*.

Sole source, emergency, and unauthorized procurements are reported quarterly to the South Carolina Division of Procurement Services along with transactions involving trade-ins, applied preferences, and those using the ten percent (10%) rule.

## **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 \$25,000.00 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 Division of Procurement Services. 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 Division of 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*. The South Carolina Consolidated Procurement Code appears in Title 11, Chapter 35 of the South Carolina Code of Laws. Procurements subject to this Code are also governed by procurement regulations promulgated by the South Carolina State Fiscal Accountability Authority which appear in Section 19-445.2000 of the South Carolina Code of Regulations.

“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.

“ITC” – Information Technology Consultant, a member of the ITS department.

“Information Technology” – information resources, telecommunications, and information 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 (UNIV-BUFA 441 as revised).

“President” – the President of the University.

“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.

“Purchase Order” – a document issued by Procurement Services to a vendor formalizing all the terms and conditions of a proposed purchase transaction. (Also see Purchase Orders section below.)

“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 medium used to initiate a purchase transaction for all purchases to be handled by the Procurement Services.

“SCBO” – South Carolina Business Opportunities. This is an official State government publication issued 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.

“SCDPS” – South Carolina Division of Procurement Services – the collective name of the three State departments comprised of the State Procurement Office, the Information Technology Management Office, and the Office of the State Engineer. These departments operate under the direction of the South Carolina State Fiscal Accountability Authority.

“SFAA” – the South Carolina State Fiscal Accountability Authority.

“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 information 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 Senior Vice President of Finance and Administration and Chief Financial Officer;
- Assistant Director of Procurement Services – provides supervision of the Procurement Services team; responsible for activities involved in the procurement of supplies and services, consultant services and information technology up to the University’s procurement certification limits. Coordinates larger procurements that are beyond the University’s procurement certification levels with SCDPS.
- 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;
- Operations Manager I – responsible for the administration of the University’s purchasing card program;
- Operations Assistant II – responsible for the administration and support of the University’s eProcurement software applications.
- 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 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 SCDPS may take one hundred twenty (120) to one hundred eighty (180) days or longer.

#### **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 ITC or Chief Information and Technology Officer;
- Grant-related expenditures - approval of the grants accounting area and/or other grants personnel;
- Golf carts – approval of the President;
- Printing – approval of University Communication.

Other approvals may be imposed from time to time by various Vice Presidents and/or 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 Governmental Accounting Standards Board (GASB) has issued accounting standards to clearly define the appropriate accounting treatment for the acquisition of leased equipment.

All leased equipment longer than twelve (12) months and above the capitalization threshold will be recorded as a capital asset on the University's books and depreciated in a manner consistent with statewide policies and procedures. Additionally, a liability will be recorded and amortized over the term of the lease.

Departments entering into 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, Samples and General Information**

For purposes of conducting market research in advance of a purchase process, it is permissible for departments to make contact with potential suppliers and obtain information, literature, and/or samples as needed. Such communication must in such a fashion as to not imply 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 jurisdiction.

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 President or designee 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 SCDPS 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

### **Dollar Limit Guidelines**

This section applies to all purchases of supplies and services, unless exempted.<sup>3</sup>

General notes regarding this section:

- In determining the appropriate dollar limit, shipping or freight charges are included but applicable sales taxes are not included.
- If desired, any purchase may be made using the Purchase Requisition process.
- In cases where the purchase obligation is for multiple years, the dollar limit is determined by the potential cost for all years. An agreement which automatically renews is considered a multi-year agreement. Agreements shall not extend longer than five (5) years.
- Purchases must not be split to circumvent the stated dollar levels.
- Anticipated purchases over a relatively short period of time must be combined to determine the appropriate dollar level.
- Dollar limits do not apply with statewide contracts as these contracts have already been through the competitive bid process. Purchase Requisitions may still be required.
- Depending on the type or amount of purchase, approvals from other areas (i.e. Department Chairs, Deans, Vice Presidents, Information Technology, Grants, and University Communication) may also be necessary.

#### **A. Purchases requiring use of the Purchase Requisition process:**

1. Supplies and services where the supplier is requiring execution of a contract or agreement, regardless of cost and funding source (includes speakers and entertainers).
  - Procurement Services will forward any required contracts or agreements to University Counsel for processing.
  - If the amount exceeds \$10,000, processing of the requisition and agreement must also follow the requirements of 3.b. or 3.c. below.

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<sup>3</sup> See Exemptions section of this Procedures manual.

2. Purchases of the following, regardless of funding source:
  - Guns, regardless of cost
  - Computers, laptops, tablets regardless of cost
  - Printers, musical instruments, vehicles – cost of \$500 or more
  - Golf carts, monitors, artwork, projectors, camcorders, cameras – cost of \$1,500 or more
  - Furniture, equipment, larger computer hardware, telecommunication equipment, movable construction equipment – cost of \$5,000 or more
3. Supplies and services over \$10,000, regardless of funding source. Requisitions will be processed in the following manner:
  - a. Over \$10,000 and available through statewide contracts:  
Quotes from the statewide supplier, which must contain the statewide contract number, are to be attached to the requisition
  - b. Over \$10,000 up to and including \$25,000 and not available through statewide contracts:

Quotes and/or suggested suppliers are to be attached to the requisition.  
Procurement Services will process as follows:

- i. Written requests for written quotes from a minimum of three (3) bona fide, responsive and responsible sources of supply will be made by Procurement Services using a Request For Quote form; the purchase must be made from the source providing the lowest quote.

OR

- ii. The Request For Quote will be posted and advertised by Procurement Services in South Carolina Business Opportunities for a minimum of seven (7) days; the purchase must be made from the lowest responsive and responsible quote.

- c. Over \$25,000 and not available through statewide contracts:

Quotes and/or suggested suppliers are to be attached to the requisition.  
Procurement Services will issue an appropriate solicitation (Invitation For Bid, Request For Proposal, Fixed Price Bid) as provided in the Code.

B. Purchases not requiring use of the Purchase Requisition process:

Purchases not exceeding \$10,000 and not falling within those requiring the Purchase Requisition process may be accomplished without securing competitive quotations under the following conditions:

- The prices must be considered fair and reasonable.
- Purchases must be distributed equitably among qualified suppliers.
- When practicable, a quotation must be solicited from other than the previous supplier before placing a repeat order.
- While competitive quotations are not required, price comparison is strongly encouraged before purchasing.

C. Exceptions applicable for purchases using 14, 15 or 24 funds:

Purchases of supplies and services using 14, 15 or 24 funds must comply with either section A or B above with respect to the use of the Purchase Requisition process, with the following revisions:

- Requisitions for purchases over \$10,000 using 15 or 24 funds may be processed without the additional requirements of sections 3.b. or 3.c. above if a Request For Single Source Pricing form is submitted to and approved by Procurement Services prior to the purchase.
- Requisitions for purchases using 14 funds may be processed without the additional requirements of sections 3.b. or 3.c. above; however, price comparison is strongly recommended before purchasing.

## **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® and iPads®), 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.

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 where it is anticipated that related expenses will exceed \$10,000.00, contact is to be made with the Director of Procurement Services by telephone or email to indicate the circumstances surrounding the emergency. The Director will determine if an emergency exists, as defined by the Code, and provide instructions as to how to proceed which will generally include the submission of a Purchase Requisition.

### **Exemptions**

Under the guidelines of the *South Carolina Consolidated Procurement Code* and related published exemption lists provided through SCDPS, certain types of purchases shall be declared exempt from the general competitive 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" which is available from the following link on Procurement Services website: [Exemptions](#).

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 are identified on the document referenced above may be sent directly to Accounts Payable without the need for processing through the Purchase Requisition system. 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 Exemption Procedures**

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

1. A Grant Specified Exemption Certification form must be prepared and approved during the grant application process and early enough to avoid delays caused by procurement procedures if the grant is approved. Only those items properly justified as essential to the grant shall be considered for exemption.
2. The Project Manager/Principal Investigator will provide written justification on the Grant Specified Exemption Certification form as to why a particular piece of major equipment, subcontracts, and/or consultant(s) is/are essential and critical to the successful completion of the grant-funded project. Equipment and/or services available from multiple contractors shall not be included. The following are examples of potentially acceptable justification(s):
  - a. requested product is an integral part or accessory to other existing equipment identified and required by the grant;
  - b. requested product or service has unique design, performance, and/or quality specifications that are essential to a particular grant research protocol or teaching need not available in comparable products;
  - c. requested product or service is essential in maintaining grant research continuity;
  - d. requested service or system requires a supplier with unique skills or experience necessary for the successful completion of the grant.

The justification must include a statement indicating that no collusion, favoritism, or conflict of interest exists with the prospective contractor.

3. The approved Grant Specified Exemption Certification form must be included in the grant proposal.
4. The Grant Specified Exemption Certification form, along with the grant proposal documents will be reviewed and approved by the appropriate Department Chair/Director, college Dean, Director of Office of Sponsored Program and Research Services, and the Director of Procurement Services.
5. Absent approval of the Grant Specified Exemption Certification form, the equipment and/or services shall be acquired in accordance with the University's procurement policies and procedures.
6. Documentation for all transactions utilizing the approved grant exemption shall be retained and made available for audit by SCDPS Office of Audit and Certification.

### **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 South Carolina Department of Administration – Division of Facilities Management and Property Services for approval. 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 such approval.

### **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 duration 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. The determination must provide evidence that the estimated requirements cover the period of the contract and are reasonably firm and continuing, and the contract serves the interest of the University by encouraging effective competition or otherwise promoting economies in State procurement.

A contract is not a multi-term contract if no single term exceeds one year and each term beyond the first requires the University 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.



## **Payment Methods for Items Up To and Including \$10,000.00 (unless exempt<sup>4</sup>)**

Invoices for purchases not exceeding \$10,000 and not subject to the Purchase Requisition process may be processed as follows:

1. Using a p-card as long as the cardholder has a sufficient single transaction limit and the transaction is an allowable p-card purchase;

OR

2. Via the Perceptive system directly to Accounts Payable.

By processing the invoices through one of these channels, the budget officer is certifying that the price paid is fair and reasonable. Supporting documents such as quotes must be included in the p-card file or attached in the Perceptive system.

### **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 inventoriable.

### **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 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 SFAA, 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 Procurement Services.
- 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.

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<sup>4</sup> See Exemptions section of this Procurement manual.

- Food Service Contracts - Any food service contracts entered into will be solicited under the guidelines of the Code, which specifies that a competitive sealed proposal solicitation be conducted by SCDPS with a review panel composed of one (1) representative from the University, the SCDPS, and the Commission on Higher Education.
- Furnishings (for the 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 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 University 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 University 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.

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 medium 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) for a variety of goods and services. 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 SCDPS. 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 SCDPS 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 SCDPS.

### **Trade-Ins**

The University may trade-in property towards the purchase of new, like items. Departments must complete an Equipment Trade-In Request form and forward to Central Receiving for approval. 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 Surplus 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. Trade-in procurements are reported quarterly to SCDPS.

### **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 of 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 SCDPS.

## **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.

### **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 University 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 kept on file for review as needed.

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 ([receiving@coastal.edu](mailto:receiving@coastal.edu)) 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 ([receiving@coastal.edu](mailto:receiving@coastal.edu)). 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, listings of each department's inventory of items with an original cost of \$2,500.00 or greater 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 employee conducts a physical inventory of that department's equipment on the inventory listing. Upon completion of the physical inventory, the Department Head will sign and return a copy of the listing to the Manager of Central Receiving, certifying that all equipment is accounted for or approving 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 with an original cost of \$2,500.00 or greater 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. (Notification is also needed for certain technology-related items with any initial cost. See section below, "Technology-Related Fixed Asset Items" for procedures on transferring or placing these items into surplus.)

### **Disposition of Property and Supplies**

Departments requiring removal of supplies, equipment, scrap materials or "junk" from their area must notify Manager of Central Receiving for appropriate action. Such materials 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**

It is the policy of the University that a gift should not be solicited or accepted, directly or indirectly, from a donor if the University has reason to believe the donor has or is seeking to



obtain contractual or other business or financial relationships with the governmental body. Additional information regarding gifts is found in the University Standards section of the University policy for Procurement Services found in this manual.

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, with an original cost of \$2,500.00 or greater, 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 notify 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 must be forwarded to the Manager of Central Receiving for processing per guidelines of the State Surplus Property Management Office and 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: During such a 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 University administration.

### **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.

The University will delete surplus property from its fixed asset records at the earlier of<sup>5</sup>:

1. the date the item is physically picked up by SPMO for relocation to its main office;
2. the date the property is sold;
3. in the case of items determined by SPMO to be “junk”, the date screened by SPMO; or
4. in the case of items approved for trade-in, the date the item is picked up by the vendor.

The University will also remove any insurance in existence on property as of the date so determined above.

### **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.

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<sup>5</sup> This determination as to the appropriate date is effective as of July 1, 2017.

- The State Surplus Property Office may approve purchases of \$2,500.00 or less (based on appraisal). Approval by the Executive Director of the S.C. Department of Administration 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 three months).
- Surplus Materials - These are items that are in usable condition but are no longer needed by the department to which they were previously assigned, or may be worn out and no longer usable. The Manager of Central Receiving will make the determination as to the proper category. Those items which remain in usable condition will be made available for use elsewhere in the University on a first-come-first-serve basis. Those items determined to be no longer usable will be disposed of in such manner as required by State regulations.

Items that can be repurposed may be viewed in Central Receiving by requesting an appointment (receiving@coastal.edu). 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 white inventory tag:

- Object code 5507 – Tagged Supplies
  - 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
- Object code 5532 – Musical Instruments less than \$5,000.00

Items which receive a silver tag (with a cost of \$5,000.00 or greater):

- 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

### **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 through the ITS Online Service Center describing the requested transfer.
2. The responsible ITC 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 through the ITS Online Service Center describing the request.
2. The responsible ITC 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 ITC will complete the Computer Transfer or Location Move form and forward to Central Receiving.
4. For items that do not contain vital information on a hard drive or other memory module, the department may e-mail Central Receiving ([receiving@coastal.edu](mailto:receiving@coastal.edu)) 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. Central Receiving will then schedule a pick up time, or notify the department to submit a work order in SchoolDude for oversized items.

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 ([receiving@coastal.edu](mailto:receiving@coastal.edu)).

### **END OF PROCEDURES: INVENTORY CONTROL**