CALIFORNIA STATE UNIVERSITY
FULLERTON
PHILANTHROPIC FOUNDATION

PROCUREMENT POLICY

CATEGORY:	Procurement and Accounts Payable	**POLICY #:**	TBD
IMPLEMENTATION DATE:	July 1, 2015	**UPDATE DATE:**	June 21, 2024

PURPOSE

This policy is to ensure procurement activities are in accordance with sound business practices and supports the mission of the Cal State Fullerton Philanthropic Foundation (CSFPF), as well as adhere to the California State University (CSU) Contracts and Procurement and California State University, Fullerton (CSUF) Procurement Policies and Procedures.

SCOPE

This policy establishes procurement guidelines and responsibilities for all CSFPF account holders and users. According to this policy, all purchases which includes zero dollar agreements, are to be made with the best judgment of the approving authority, serve a clear business-related purpose, and have no personal benefit derived by the purchasing employee. Failure to follow this policy will result in personal liability or financial obligation, loss of signatory rights, and corrective actions.

POLICY

1. **Authorized Methods of Procurement**

   a. Procuring goods and services may be completed through the following authorized methods:

i.   **Direct Payment (Check Request)** – is a low-value purchase restricted to approved goods or supplies that do not require Standard Requisiton form (Purchase Order) of any sort with CSFPF or CSUF and can be considered adherently low risk. Please refer to the [Check Request Guidelines](#) for details and restrictions on allowable purchases utilizing this payment method.

ii.   **Foundation Card** – is an efficient, flexible, and convenient method to procure small dollar purchases of goods or supplies and certain approved services. Please refer to the Foundation Card Program Policy and Procedures for details and restrictions on allowable purchases.

Purchase Orders – All other requests for goods and services that can not be purchased utilizing a check request or Foundation credit card must be procured through a purchase order and must comply with this purchasing policy. All procurement requests must comply with CSFPF's Procurement Methods Matrix [link will be added] to determine the most appropriate process for acquiring goods and services.

iii. The Foundation will process purchase orders through the Foundation Requisition Request form. Purchases made in the Foundation or university's name without an authorized purchase order or a signed contract by CSFPF violates CSU policy and State law.

2. Authority

a. Only CSFPF has the authority to enter into purchase orders and contracts to procure goods and services on behalf of the University using the procedures established by this policy and those of CSUF[2].

b. CSFPF has the authority to have any contractual agreements or procurement request reviewed and approved by CSUF's Contracts & Procurement Department on matters requiring but not limited to legal interpretation, liability risk, hazardous materials, international contracts, multi-year contracts, or purchases of more than $5,000.

c. In the interest of the University, CSFPF and CSUF's Contract & Procurement Department reserves all rights to renegotiate terms or refuse a procurement request for any reason.

3. Accountability

a. It is the department's/division's responsibility to ensure all procurement activities are in accordance with this policy. Failure to abide by the procurement policy could result in personally obligation or corrective action.

b. Authorized signers procuring goods and services outside the methods outlined in this policy may be held personally obligated for all or partial payments of the good or service purchased.

c. Under no circumstances will a personal reimbursement be issued for procured goods or services that fall under this policy.

d. Securing goods and services outside the methods outlined in this policy, or misuse of Foundation funds through the procurement process will be documented and reviewed with the department head.

4. Contracts

a. All classifications of contracts must be submitted using CSFPF ServiceNow Requistion Request Form. Once approved by CSFPF or CSUF's Contracts & Procurement, a Purchase Order (PO) number will be issued, authorizing the purchase.

   i. **Goods Contract** purchase of tangible items, such as equipment parts, supplies, or other merchandise. Should services accompany the purchase of goods, the dollar value associated with the purchase of the good must be greater than the dollar value of the service that will be provided to be considered a contract for goods[1].

   ii. **Information Technology Resources (ITR) Goods and Services Contracts** - purchase of equipment, electronic or digital material and services, digital processing or transmitting of any data or information, as well as the data or information itself, and those listed in the CSUF IT Purchasing Policy[4], fall under this category[1].

   iii. **Service Contract**- work performed is primarily service oriented. All procured service contracts must comply with campus requirements.

This classification of contracts does not include contracts for the acquisition of ITR services, or public works project agreements[1].

    iv. **Multi-Year Contract** – goods or services may be entered into for any period provided the terms and conditions are included in the contract[1]. CSUF's Contracts & Procurement Department will review and approve multi-year contracts

    v. Contracts facilitated by CSUF's Contract & Procurement Department require contracts and quotes to be addressed to Cal State Fullerton.

b. All categories of contracts are subject to fair and open competition practices[1] under the CSU and CSUF Contracts & Procurement policy.

    i. **Purchases of goods or services less than $50,000** will require miniumn one quote or an estimated purchase price.

    ii. **Purchases of goods or services with a total equal to or greater than $50,000 but equal to or less than $100,000** will require three or more information quotes from different vendors in writing,which must be submitted with the requisition request. If less than three responses are received, documentation that sufficient outreach and diligence were performed must be provided before waiving the requirement for three responses.

    iii. **Purchases of goods or services greater than $100,000** will require a Formal Bid, which must be submitted with the requisition request per ICSUAM Policy through CSUF Contracts & Procurement Department.

    iv. **Purchases of Information Technology** (i.e. computers, software subscriptions) **with a total greater than $50,000 but equal to or less than $500,000** will require three or more information quotes from different vendors in writing ,which must be submitted with the requisition request. If less than three responses are received, documentation that sufficient outreach and diligence were performed must be provided before waiving the requirement for three responses.

    v. **Purchases of Information Technology** (i.e. computers, software subscriptions) **greater than $500,000** will require a Formal Bid per

ICSUAM Policy through CSUF Contracts & Procurement Department.

    vi. **Sole source/brand procurement** is permissible at this expenditure level only when CSUF Contracts & Procurement Department determines and approves that only one source exists that can provide the goods or services in accordance with the requirements of the CSU[1]. The sole source justification is required.

    vii. **Strategic sourcing options and alternatives** set forth by the CSU and CSUF are followed by CSFPF to achieve discounts, better services, and reduced administrative costs through the use of strategic purchasing programs and appropriate sourcing opportunities[1].

    viii. **Target Area Contract Preference Act (TACPA)** grants preference to California-based companies through the bid set forth by CSU and CSUF are followed by CSFPF to achieve discounts, better services, and reduced administrative costs through the use of strategic purchasing programs and appropriate sourcing opportunities[1].

5. **Requisition Request**

   a. A requisition request is required for certain purchases according to CSUF and CSFPF's Procurement methods matrix to initiate the purchase order (PO) process for procuring goods or services.

   b. [A CSFPF Requisition Request](#) must be submitted through the ServiceNow portal and authorized by account signer(s).

   c. Requisition requests will be processed on a first come, first served basis regardless of the contract type, dollar amount, or requirements.

   d. A requisition request must be inclusive of all costs (i.e., sales tax, shipping/handling, installation, etc.)

   e. Supporting documentation is required to process a requisition request, which may include:

      i. Contract and/or quote initialed by the authorized signer

    ii. Authorized Directive 11 form (when applicable)

    iii. [Certificate of Insurance](#) or [Request for Waiver of Workers' Compensation Insurance](#)

    iv. IT Commodity and Service Purchase authorization (when applicable)

    v. Three or more informal quotes in writing for purchases of goods or services in the amount of $50,000 - $100,000. If the purchase is greater than $100,000, a fomal bid per ICSUAM policy is required.

    vi. Three or more infomal quotes in writing for purchases of Information Technology in the amount of $50,000 -$500,000. If the purchase is greater than $500,000, a formal bid per ICSUAM policy is required.

    vii. Other documents which justify the expenditure(s)

f. Upon review, CSFPF will determine if the expenditure is allowable under this policy and general provisions how the requisition request is processed. When required, CSFPF will submit the requisition information and supporting documentation to CSUF Contracts & Procurement Department via the university's requisition process. If the university determines the purchase is appropriate, CSFPF will be notified, and then CSFPF will inform the requestor of the CSUF-issued Purchase Order (PO) number via ServiceNow.

6. Processing Request

a. CSFPF generally requires a minimum lead-time of 15 business days to process a requisition request. However, contracts for large amounts or requiring additional approvals from other campus units (i.e., IT, Travel, etc.) may require up to 25 business days for review and approval.

b. A submitted requisition request that requires a security deposit with less than ten (10) business days to process may be charged a rush fee of $25. The rush fee and security deposit will be applied to the account indicated on the Requisition Request form.

c. CSFPF has no authority over campus' procurement processing methods and therefore, cannot rush requests through the established process on the requesters' behalf.

7. Emergency Transactions

a. Immediate issuance of a purchase order involving public health, safety, protection of State property or programs without a formal bid invitation will require the following:

    i. A statement regarding the nature of the emergency, which identifies the immediate threat to public health, safety, or damage to State property.

    ii. Authorization by both CSUF Contacts & Procurement Department and CSFPF[1].

8. Purchase Orders (PO)

a. Blanket Purchase Orders (BPO) may be used to supply goods or services continuously for a designated period. Such orders should be used to achieve economies of scale, cut expenditures, and reduce administrative handling costs.

b. If a PO has been issued to a vendor and circumstances require a change in the amount of the order, an extension of the expiration date or a change in the period of performance, the requestor must needs to submit an authorized CSFPF revised Requisition Request via ServiceNow. CSFPF will re-check allowability. If approved, the revised request will be added to the encumbrance.

c. When a PO is issued, funds are encumbered for a specific purchase, ensures funds are available for payments. The Foundation's authorized account signer is responsible for verifying all contractual provisions and confirming the receipt of product or service before authorizing payment.

d. Payments over ten percent (10%) of the original PO amount will require a revised requisition request.

e. Funds will remain encumbered until payments are made in full, settlements of financial obligation are complete (i.e., travel, petty cash), or upon approval of written authorization and explanation for the cancellation.

9. Low-Value Purchases

a. A low-value purchase is considered a transaction where little or no value can be added by processing the transaction through standard procurement procedures. To reduce the costs of executing low-value purchase transactions, the use of a Foundation card, under the Foundation Card Policy or Direct Payment (Check Request), under the Check Request Guidelines, will be permitted[1].

b. Through the Foundation Card Policy, CSFPF will ensure strong internal controls that mitigate procurement abuses, comply with CSUF and CSU policies, ensure observance of good business practices, and provide appropriate checks and balances[1].

c. The following controls will be observed in the administering of low-value purchases via the Foundation Card Policy:

   i. Prohibit splitting of purchases to circumvent policy requirements.

   ii. Prohibit purchases of items determined by the campus to be inappropriate

   iii. Prohibit the procurement of personal services, including consulting services

   iv. Define the role of the approving official to ensure that a cardholder's subordinate or peer is not designated as approving official. Approving officials shall not approve their own purchases.

   v. Ensure duplicative payments do not occur; and

   vi. Ensure that leveraged purchasing agreements made available through established campus or system-wide channels shall take precedence when making low-value purchase transactions[1].

d. Monitoring activities that include the performance of periodic post-audits to ensure compliance with the Foundation Card Policy[1] .

e. Enforcement provisions that identify sanctions for improper use of the Foundation Card. Such sanctions may include required reimbursement for personal charges including any applicable transaction fees, and suspension of Foundation Card privileges or other previleges when warranted[1].

f. Payment processing provisions – If applicable, the processing of low-value purchase payments must include a complete review of the transaction and analysis of charges. In support of the review, the campus departments shall be required to submit complete supporting documentation in a timely manner. The review shall include:

  1. Supervisor or management approval

  2. A follow-up of disputed charges

  3. A review of the completeness of the documentation supporting invoice

  4. Clearance of outstanding delinquent invoices[1].

  ii. Provision for the return of Foundation Cards - Personnel clearing procedures must include a final card reconciliation and return-of-card process[1].

10. Check Request Guidelines

a. Compliance with the low-value purchase guidelines stated in the CSFPF and CSUF Procurement Policy, along with reference to CSFPF's Procurement Method Matrix, permits the use of a Foundation Check Request as per the Foundation Check Request Guidelines.

b. CSFPF will verify the eligibility of a Check Request by referring to the CSFPF Check Request Guidelines, and utilizing CSPFP's Qualifying Items for Check Requests, available on the CSPFP website.

11. Purchases Under Policies and Directives

a. Particular goods and services that may fall under guidelines and restrictions outlined in other CSFPF, CSUF, or CSU policies such as Asset Tagging, IT, etc and directives must be adhered to as part of the procurement process,

b. The requestor and account approver must be familiar with CSFPF, CSUF, or CSU policies and directives to prevent procuring delays and non-compliance.

c. CSFPF will refer and comply with CSUF or CSU's policies, directives, provisions, guidelines, or standards for all procurement requirements and restrictions not outlined in this policy.

12. Unauthorized Purchases

a. Procurement of goods or services made by personnel outside the authorized procurement methods (purchase requisition, foundation card, & office supply program) will be considered personally obligated until an approved justification is provided to CSFPF[2].

b. To justify an unauthorized purchase, a CSFPF Unauthorized Purchase Approval Request form (UPAR) must be submitted to CSFPF via ServiceNow. CSFPF or CSUF's Contracts & Procurement Department has the authority to approve or deny the justification.

13. Prohibited Practices

a. To ensure procurement and contracting activities are in compliance with applicable regulations, the following practices are prohibited under the established policies and directives of CSUF and CSU:

   i. Personal use of information

   ii. Appropriation of state property or services

   iii. Conflict of interest

   iv. Commercial endorsement of products or services

   v. Misuse of the university's and its auxiliaries' name

   vi. Restrictive specifications

   vii. Splitting orders or contracts

   viii. Advance payments

   ix. Prohibition of labor abuse[1]

14. Protests, Disputes, and Complaints

a. CSFPF and CSUF's Contracts & Procurement Department has the authority to resolve protests, disputes, and complaints arising from the solicitation, award, or performance of a contract[1].

b. In instances where a legal representative of the bidder, vendor or contractor has initiated correspondence or formal action, CSFPF and CSUF shall contact the Office of General Counsel before taking action[1].

c. All contract documents must contain provisions for the resolution of protests and disputes[1].

15. Vendor Selection

a. Reasonable effort should be made to ensure the best price is secured.

b. CSFPF may consider factors such as the Contractor's ability to perform the work, past performance of similar work, safety history, innovation, qualifications of key managers, possession of equipment necessary to complete the work, and overall work plan, approach, and methodology.

c. A request for advance payment in the form of a deposit no more than 50 percent may be issued.

d. Final payment will be issued after goods are received or services are rendered, and CSFPF has received an approved vendor invoice. Full payment will not be issued to a vendor the day goods/services have been received or rendered.

e. The authorized signer on the issued purchase order may request a stop payment on a check issued to the vendor. The processing fees associated with the stop payment of $25 will be charged back to the account indicated on the purchase order.

16. Vendor Records

a. If all individuals and entities are not CSUF faculty/staff and students, they must be vetted via CSFPF's vendor management system whenever the Foundation engages in transactions that lead to payments[1].

Policy References:

[1][Integrated CSU Administrative Manual for Contracting and Procurement](#)

[2][CSU Contracts and Procurement Policy](#)

 [CSUF Contracts and Procurement Policy](#)

[3][CSUF Financial Services Policies, Procedures, and Guidelines](#)

[4][CSUF IT Purchasing Policy](#)

[CSFPF Policies and Procedures](#)

[Presidential Directive 11 Guidelines](#)

[CSFPF Procurement Method Matrix](#)

[CSFPF Qualifying Items for Check Request](#)

CSFPF Contracts and Procurement PROCUREMENT METHODS
Updated 06/27/24

This matrix tool is intended to determine the most appropriate process to purchase goods or service [1]

Transaction Type	Requisition / Purchase Order (PO)	Check Request (Direct Payment)	Foundation Card[2] (Required to adhere to Foundation Card Policy)	Prohibited
Advertisements (Purchase Order is required if over $5,000)	X	X		
Alcoholic Beverages - (with Hospitality D11 approval)	X	X	X	
Chemicals/Hazardous Materials : see CSFPF credit card program policy[2] and CSUF's EHS preapproval list	X		X	
Ammunitions, Controlled Substances, Firearms, and Narcotics				X
Blanket Purchase Orders / Open Order	X			
Computers (Requires IT Authorization Number)				
Touchpads, notebooks, desktops, laptops, servers, etc. valued under $5,000 (unit price inclusive of sales tax) See instructional equipment.)	X		X	
Touchpads, notebooks, desktops, laptops, servers, etc. valued $5,000 and over (unit price inclusive of sales tax)	X			
Consulting Services	X			
Contracts				
Agreements related to Foundation Card purchases (only specific services from the CSUF's Authorized Service Providers[3])			X	
Licenses/Maintenance/Service/Renewal Contracts (i.e., Copiers, Software License Renewals)	X			
Formal Agreements (Contracts Request Form Required [3])	X			
Equipment (All IT related equiment requires IT Authorization Number)				
Equipment valued under $5,000	X		X	
Equipment valued at $5,000 and over (unit price inclusive of sales tax), with or without installation. Asset Management Office must be notified of purchase to update campus property inventory records.	X			
Equipment valued at $15,000 and over	X			
Instructional Equipment valued at $5,000 or more (unit price inclusive of applicable tax, freight, delivery, installation, etc.). Asset Management Office must be notified of purchase to update campus property inventory records.	X			
Fees				
Accreditation fees and expenses: lodging, meals, transportation, expenses required by accreditation.		X	X	
Submission fees: publishing papers in academic journals/publications		X	X	
Film and video rentals			X	
Furniture				
All orders greater than $1,000 (total cost of order) that includes assembly, disassembly and installation services.	X			
All orders $1,000 and under (total cost of order) that includes assembly, disassembly and installation services. (Q# Required)			X	
Gifts - (with Hospitality D11 approval)		X	X	
Gift items of a personal nature or purchases for personal use				X
Gift Cards (required pre-approval & supporting documentation) - in accordance with CSUF policy - Foundation Funds can be used to reimburse other Auxiliary for gift card administration.	X	X		
Hospitality				
Meals / Refreshments (Refer to Pre-approved Caterers List[5])				
Catering services / on-campus delivery	X		X	

CSFPF Contracts and Procurement PROCUREMENT METHODS
Updated 06/27/24

Transaction Type	Requisition / Purchase Order (PO)	Check Request (Direct Payment)	Foundation Card[2] (Required to adhere to Foundation Card Policy)	Prohibited
Room block agreements			X	
Curbside delivery or pick-up			X	
Memberships (no personal reimbursements)		X	X	
Public Works/Facilities Planning	X			
Sponsorships	X			
In-person registrations			X	
Virtual Conference Registrations		X	X	
Rentals				
Equipment rentals or off-campus venue rentals	X			
Services				
Services by Auxiliary Services Corporation (e.g., food services, space rental, travel split funding & payroll reimbursements etc.)	X	X	X	
Services of any nature performed on or off campus (i.e., installations, printing and shredding services, equipment repairs, etc.)	X		X	
Speakers (Guests, Special Lecturers, Honorariums, non-CSUF personnel for on-campus events)				
Payments for non-CSUF personnel for on-campus events	X	X		
Payments to Speakers doing business as a company	X			
Software (Requires IT Authorization Number)				
All software, licenses and subscriptions.	X		X	
All software leases, licenses, renewals, maintenance and support and library subscriptions/periodicals paid in advance of Fiscal Years (prepaids.)	X			
Subscriptions (magazines only)		X	X	
Travel				
Travel for CSUF faculty/Staff/Students (requires CSUF travel authorization number and must comply with CSUF travel policy and CSFPF Foundation credit cad policy)			X	
Travel pre-payment for registration fee payable directly to organization only		X	X	
Travel expenses for Guest reimbursement (Guest travel must comply with CSU travel policy) : For non-employee and non-consulting guest lecturers/guest speakers, payments to individuals can be made via check request and PO, whereas payments to companies must go through PO exclusively.	X	X		

POLICY REFERENCES:

[1] CSUF Procurement Methods Matrix

[2] Foundation Credit Card Program Policy & Procedures

[3] CSUF Authorized Service Providers for P-Card Use

[4] CSUF Contract Request Form

[5] CSUF Pre-approved Caterers List

[6] CSUF Travel Concur

Differences in procurement method matrices between CSPFP and CSUF