

Radford University Foundation, Inc.

Procurement Policies & Procedures Manual



Updated March 2007

RADFORD UNIVERSITY FOUNDATION, INC.  
PROCUREMENT POLICIES AND PROCEDURES

SECTION I. – PURPOSE

These procurement policies and procedures are designed to support and facilitate for the benefit of Radford University, its mission, goals, and programs, or for any or all of the educational support activities that may be conducted by Radford University through the acquisition of goods and services. By applying best methods and business practices the Foundation can insure donor confidence in its procurement system and use of donor dollars.

This document establishes policies that are relevant to the Radford University Foundation, Inc. and provide for a procurement process of quality, integrity, broad based competition, fair and equal treatment of the business community, increased economy in the procurement process and uniform procurement procedures.

SECTION II. – APPLICABILITY

These policies apply to contracts by the Radford University Foundation, Inc. for the acquisition, rental, purchase or lease of supplies, services, maintenance, capital improvements, and Architectural and Engineering services.

1. A procurement contract executed before the effective date of these Policies and Procedures shall be governed by those laws, policies, and procedures in effect at the time of the contract execution.
2. The Foundation Board of Directors may, from time to time, amend these Policies and Procedures in order that they remain consistent with current best methods and business practices.

Exclusions:

1. The lease, sale, purchase, transfer, disposal or any other action involving an interest in Real Property.
2. Purchases for the purposes of resale or remanufacture and subsequent resale.
3. Any procurement or contract to the extent of any conflict with a governing federal law, regulation, assistance instrument, or other requirement; or the terms of any gift.
4. Alterations to University buildings, building equipment, or building systems. For these kinds of purchases, contact Radford University Facilities Management. The Radford University Foundation will reimburse the state accounts as appropriate.

## SECTION III – PROCUREMENT METHODS

Set forth below are the generally accepted methods of procurement, which may be adjusted, from time to time in the best interest of the Radford University Foundation to reflect current business practices.

### 1. Small Procurement (under \$5,000)

Where the procurement order is under \$5,000, competition is preferred, but is not required. The College or Department will submit a Foundation Expenditure Approval Form (Appendix A) and subsequent Foundation Payment Request Voucher (Appendix B) with the original invoice. The College or Department is responsible for maintaining records to ensure the account is adequately funded for these purchases. Questions regarding account balances can be directed to the Foundation's Accountant, Mr. George Chatneuff, at extension 6573.

### 2. Informal Competitive Procurement (\$5,000 and over but less than \$50,000)

Where the procurement order is \$5,000 and over, but less than \$10,000, competition from at least three vendors will be sought on an informal basis. ***Whenever possible, it is strongly encouraged that a minimum of one of these bids come from a vendor in the New River Valley area.*** Telephone quotes are acceptable under \$10,000. Vendor quotes should be listed on both the Expenditure Request Form and Payment Request Form indicating the Vendor name and bid amount.

From \$10,000 but less than \$50,000 all informal bids must be followed with written confirmation of the bid on the vendor's letterhead and submitted with the invoice from the selected vendor. (A purchase order can be obtained from the Radford University Foundation if the vendor requires one.) Written confirmations should be attached to both the Expenditure Request Form and Payment Request Forms.

The College or Department is responsible for maintaining records to ensure the account is adequately funded for these purchases. Questions regarding account balances can be directed to the Foundation's Accountant, Mr. George Chatneuff, at extension 6573.

### 3. Competitive Procurement (\$50,000 and over)

For an order \$50,000 and over, competition will be sought to the extent practical considering such factors as the availability of vendors, dollar value of the procurement, time available to make the procurement including

delivery time, and sound business judgment, consistent with the best interest of the University and the funding source.

- A. The College or Department should provide a detailed description of the goods or services and a specific date for responses from bidders. Responses from bidders need to be in writing on the vendor's letterhead and should be signed by an authorized company official. The College or Department will solicit written bids from a minimum of three sources. ***Of these three bids it is strongly encouraged that whenever possible a minimum of one these come from a vendor within the New River Valley area.***
- B. The College or Department may certify that they could not solicit from a minimum of three sources if there are factors such as the following:
  - Nature of the item or service to be purchased and whether it is relatively non-competitive;
  - Information obtained in making recent purchases of the same or similar item(s);
  - The urgency of the proposed purchase;
  - The dollar value of the proposed purchase; and
  - Past experience concerning a specific vendor's pricing or performance.
- C. The proposed competitive process must to be reviewed and approved by the Executive Director of the Radford University Foundation before it begins.
- D. Adequate records should be kept of the competitive process and submitted with the Expenditure Request Form. If this vendor is a sole source, written justification documenting the conditions that preclude the use of a competitive process is required.
- E. The use of the University policies on procurement as a reference, where practical, is strongly encouraged. For information regarding the University's procurement policies please contact the Office of Materiel Management and Contracts at extension 5419.
- F. A purchase order must be obtained from the Radford University Foundation's Manager of Advancement Operations before acceptance of the order by submitting a completed Expenditure Request Form (Appendix A) with the competitive bids. This constitutes a contract with the winning bidder.

4. Procurement by Independent Contractor Services Contract (\$5,000 and over)

Independent contractors providing services to Radford University of \$5,000 and over must have a written contract that has been reviewed, approved and signed by the Executive Director of the Radford University Foundation before work commences.

The College or Department should make certain that an independent contractor satisfies the IRS definition of this designation. Attached is “Employee or Independent Contractor?” (Appendix C) An example of an independent contractor contract is attached in the (Appendix D) and should be used whenever possible

#### SECTION IV – RESTRICTIONS

The College or Department is responsible for ensuring all procurement is in compliance with the respective Memorandum of Agreement, account agreement, grant approved budget, or with any restrictions imposed by the donors.

Purchases of goods and/or services from, Foundation Board members, University employees and members of their immediate families are generally prohibited.

#### SECTION V - INVENTORY CONTROL

Capital equipment (\$5,000 and over and computer equipment) and sensitive equipment (\$500 and over) are tagged with a Radford University Foundation equipment property tag by the Foundation Accountants office. When received, the College or Department should immediately contact the Foundation Accountant to arrange for the property to be appropriately tagged. Sensitive equipment is defined as equipment at most risk of removal, personal use, or resale, such as calculators, audio-video equipment, and telecommunications equipment. It is the College or Department’s responsibility to maintain inventory control of equipment under \$5,000 and sensitive equipment under \$500.

**APPENDIX A**

**Radford University Foundation, Inc.  
Foundation Managed Account  
Expenditure Request**

Expenditure Requested by:

Campus Address:

Account Name:

---

**Purpose and description of the proposed expenditure:**

---

**Any special requirements, details, or timing related to the expenditure:**

---

Approved _____ Disapproved _____	_____	Unit Head or Dean of College
	Signature	Date
Approved _____ Disapproved _____	_____	Vice-Provost/Asst Vice-President
	Signature	Date
Approved _____ Disapproved _____	_____	Provost/University Vice-President
	Signature	Date
Approved _____ Disapproved _____	_____	University President or Designee
	Signature	Date

Once final approval has been received, retain and attach signed form to the Foundation Payment Request Form (FO-2) prior to submission for approval and payment.

**APPENDIX B**

**Radford University Foundation, Inc.  
PO Box 6915 Radford, VA 24142  
(540)831-5108  
Payment Request Voucher**

Description of item(s) being purchased or services rendered	Invoice Number	Amount
Total		
Sales & Use Tax		
Grand Total		

- ALL expenditures require support by original invoice or documentation
- Purchases from vendors using Foundation funds are not exempt from sales & use taxes, including Radford University.

**THIS SECTION MUST BE COMPLETED INCLUDING ZIP CODE AND FEDERAL ID OR SOCIAL SECURITY NUMBER**

Name & Address of Payee: \_\_\_\_\_  
 Send check to:  
 (If different than  
 payee's address)

Federal ID No. or Social Security No. \_\_\_\_\_  
 (Required for payment to individuals and/or non-corporate vendors)

Foundation Account to be charged \_\_\_\_\_ Foundation Account No. \_\_\_\_\_

Payment Requested by: \_\_\_\_\_ Signature \_\_\_\_\_ Phone: \_\_\_\_\_

Campus Box Number: \_\_\_\_\_

I RECOGNIZE THAT MY ADMINISTRATIVE POSITION GIVES THE AUTHORITY TO ACT AS THE GUARDIAN OF THE ABOVE NAMED FOUNDATION ACCOUNT. TO THE BEST OF MY KNOWLEDGE, THE ABOVE PAYMENT REQUEST MEETS THE RESTRICTIVE PURPOSES OF THE ACCOUNT.

Approved by: \_\_\_\_\_ Signature \_\_\_\_\_ Date \_\_\_\_\_ Unit Head or Dean of College

Approved by: \_\_\_\_\_ Signature \_\_\_\_\_ Date \_\_\_\_\_ Vice-Provost

Approved by: \_\_\_\_\_ Signature \_\_\_\_\_ Date \_\_\_\_\_ Provost/University Vice-President

Approved by: \_\_\_\_\_ Signature \_\_\_\_\_ Date \_\_\_\_\_ University President or Designee

For Foundation Use Only:			
Check No. _____	Check Date _____	Account No. Charged _____	Audited by _____
Approved by: _____		Date _____	
<small>Executive Director or Authorized Officer of the Radford University Foundation, Inc.</small>			

**INCOMPLETE VOUCHERS WILL BE RETURNED UNPROCESSED**

## *APPENDIX C*

### **Independent Contractors**

The Radford University Foundation, Inc. requires that independent contractor agreements be submitted for review and approval by the Foundation's Executive Director prior to the time when a commitment to perform the services is given. A completed IRS form W-9 (Request for Taxpayer Identification Number and Certification) must be on file before payment is made. Please note that invoices for payment to independent contractors that are submitted without having an approved contract on file may not be paid.

The Radford University Foundation will follow IRS guidelines established regarding independent contractors. Payments for services performed by persons who appear to be employees per IRS guidelines should be run through the University payroll system. The IRS uses a 20-factor test to assist in making the determination between employee and independent contractor. The factors are listed on the next page.

The submitted contract agreement form must be certified by designated guardian on the account where the expenditure is to be paid that the individual is an independent contractor.

## **Employee vs. Independent Contractor**

The person is an *Employee* if:

1. The individual reports to a staff member of the Department who has the right to control how the individual does the work.
2. The Department is providing on-going training and direction to the individual.
3. The services of the individual are integrated into the operations of the Department.
4. It is required that the services are to be rendered personally by the individual.
5. The Department provides additional personnel and support to the individual.
6. There is a continuing relationship (the individual is hired for more than a one-time task).
7. Set hours of work are established.
8. The individual is working exclusively or substantially full time for the Department.
9. The work is performed on the Department's premises.
10. The services to be performed are required to be done in a set order or sequence, rather than by general directions with the objectives of the task.
11. Oral or written reports are required.
12. Payment is on an hourly, weekly, or monthly basis as opposed to a specific amount of money on a per-job basis.
13. The individual receives reimbursement for travel and business expenses.
14. The Department provides the individual's supplies, equipment, tools, or office space.
15. The Department has the right to discharge the individual at will. The individual can quit prior to completion of the project without incurring legal liability.

The person is an *Independent Contractor* if:

16. The individual maintains a separate business with his own work facility, equipment, materials, or similar accommodations.
17. The individual can realize a profit or suffer a loss as a result of performing the services.
18. The individual performs services for more than one business at a time.
19. The individual makes their services available to the general public.
20. The individual is responsible for the satisfactory completion to work or services that they perform or agree to perform and is or could be held liable for failure to complete the work or services.

**APPENDIX D**

***Contract Agreement***

This contract entered into this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_ , by and between ***the Radford University Foundation, Inc.*** acting on behalf of the (account name) (hereinafter "Foundation") and (Contractor), whose legal address (shall serve as address of notification) is \_\_\_\_\_, and whose social security number is \_\_\_\_\_

The parties hereby agree as follows:

**ARTICLE I: TERM**

The term of this contract shall be from \_\_\_\_\_ through \_\_\_\_\_.

**ARTICLE II: TERM: SCOPE OF WORK**

The contractor agrees to perform the services described as follows:

**ARTICLE III: TERM SITE OF WORK**

Primary services will not be performed at the office of the Foundation or the University.

**ARTICLE IV: COMPENSATION**

The Foundation agrees to pay Contractor an amount not to exceed \$ \_\_\_\_\_ for performance of the services set forth in Article II.

The Foundation will not be responsible for any expenses or costs incurred by Contractor in carrying out the terms of this agreement. If reimbursements for expenditures are agreed upon, the following items are allowed:

**ARTICLE V: AGENTS FOR THE FOUNDATION**

Contractor shall not be considered an employee of the Foundation during the period of this agreement and is responsible for their own state and federal, Social Security, and unemployment taxes, and is not an agent of the Foundation, and cannot commit the Foundation to any expenditure of funds or enter into any contractual obligation on behalf of the Foundation.

**ARTICLE VI: TERMINATION FOR DEFAULT**

If the contractor fails to fulfill their obligation under this contract properly and on time or otherwise violates any provision of the contract, the Foundation may terminate the contract by written notice to the contractor with no financial liability.

**ARTICLE VII: INDEMNIFICATION**

Neither the Foundation nor any of its agents, employees, representatives, or officers shall be liable for any personal injury to, or death of, any employee of Contractor or Contractor's agents, representatives or sub-contractors, however caused, or any damage to or loss of property of Contractor, however caused. The Foundation is not obligated to provide insurance of any kind.

**ARTICLE VIII: MODIFICATIONS**

This contract shall not be deemed or construed to be modified, amended, extended, rescinded, canceled or waived in whole or in part except by written amendment of the parties.

**ARTICLE IX: ENTIRE AGREEMENT**

This contract constitutes the entire agreement between the parties with respect to the subject matter hereof, and shall inure to the benefit and shall be binding upon the parties, their respective successors and permitted assigns. This contract shall be governed by the laws of the Commonwealth of Virginia. All legal actions must be brought in the courts in the Commonwealth of Virginia or in the applicable U.S. District Court Commonwealth of Virginia.

---

Contractor Signature

[Date]

---

Account Guardian Authorized Signature

[Date]

---

RU Foundation Authorized Signature

[Date]

**The Radford University Foundation, Inc.**  
**Certification Page**  
**(To be submitted with Independent Contractor agreements)**  
**Employee vs. Independent Contractor**

The person is an *Employee* if:

1. The individual reports to a staff member of the Department who has the right to control how the individual does the work.
2. The Department is providing on-going training and direction to the individual.
3. The services of the individual are integrated into the operations of the Department.
4. It is required that the services are to be rendered personally by the individual.
5. The Department provides additional personnel and support to the individual.
6. There is a continuing relationship (the individual is hired for more than a one-time task).
7. Set hours of work are established.
8. The individual is working exclusively or substantially full time for the Department.
9. The work is performed on the Department's premises.
10. The services to be performed are required to be done in a set order or sequence, rather than by general directions with the objectives of the task.
11. Oral or written reports are required.
12. Payment is on an hourly, weekly, or monthly basis as opposed to a specific amount of money on a per-job basis.
13. The individual receives reimbursement for travel and business expenses.
14. The Department provides the individual's supplies, equipment, tools, or office space.
15. The Department has the right to discharge the individual at will. The individual can quit prior to completion of the project without incurring legal liability.

The person is an *Independent Contractor* if:

16. The individual maintains a separate business with his own work facility, equipment, materials, or similar accommodations.
17. The individual can realize a profit or suffer a loss as a result of performing the services.
18. The individual performs services for more than one business at a time.
19. The individual makes their services available to the general public.
20. The individual is responsible for the satisfactory completion to work or services that they perform or agree to perform and is or could be held liable for failure to complete the work or services.

**Certification**

I certify that \_\_\_\_\_ s an independent contractor based on the criteria above.

\_\_\_\_\_ (Signature of Account Guardian)