



PROCUREMENT SERVICES POLICIES AND PROCEDURES

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1. INTRODUCTION

New Jersey City University's ("NJCU") Procurement Services Department is charged with the responsibility of ordering all supplies, equipment and services necessary for the operation of NJCU. The process starts with the user department and ends with accounts payable.

Procurement Services is responsible for monitoring all purchases for compliance with applicable regulations and for paying NJCU's bills.

The Procurement Services Department is committed to meeting the needs of NJCU and its departments and to ensure that state laws and University regulations are followed. Laws regarding the use of public funds are very specific, so it is important that University procedures be carefully followed. All expenditures must be prudent and directly benefit NJCU. NJCU will assume no liability for the payment of purchases that were not made through the approved Procurement Services purchasing procedures.

This policy is intended to be the official method to assist all University employees in understanding NJCU's procurement process. It has also been developed in accordance with New Jersey State statutes and University policies. As a public institution, we are required to follow these regulations in the conduct of our day-to-day business.

2. PURPOSE

To establish NJCU's policies regarding the procurement and payment for goods and services.

3. SCOPE

This policy applies to all faculty and staff and uniformly to all funds administered by NJCU such as departmental budgets, capital funds and restricted accounts including federal, state, and local grants, contracts and specially funded programs.

4. POLICY

The Procurement Services Department is responsible for making the final determination of source and supply of goods and services. These decisions will be made in conjunction with the department's user, as appropriate. The Procurement Services Department serves as the exclusive channel through which all bids and quotations are handled. University departments may correspond with suppliers in cases where informal prices are needed or where technical details are necessary. In such cases, proper communication and coordination with the Procurement Services Department is required prior to committing to such purchases.

NJCU's procurement policy is intended to be consistent with Generally Accepted Accounting Principles (GAAP), which provides guidelines for the timing and reporting of transactions at the time it occurs. The Purchasing Department is also obligated to follow the guidelines of the laws of the State of New Jersey relating to Executive Order #134, the Procurement Reform Restrictions on Political Contributions and the Business Registration Certificate for all vendors.

NJCU's Accounts Payable Department is responsible for processing all non-payroll payments including purchase order invoices, special handling requests and employee travel reimbursements in a timely and efficient manner while maintaining NJCU's policies and procedures.

It is NJCU departments' responsibility to ensure that each transaction is classified as an allowable expenditure on a specific account and that funds are available accordingly.

Please note: Due do Covid-19, emergency purchases may occur. Please consult with Procurement Services prior to placing any orders and we will work with you to accommodate these emergency purchases.

5. NEW JERSEY EXECUTIVE ORDER #134

Executive Order #134 imposes restrictions on State departments, agencies and authorities to insulate the negotiation and award of State contracts from political contributions that pose the risk of improper influence, purchase of access or the appearance thereof. State departments, agencies and authorities are prohibited from entering into a contract that exceeds \$17,500 with an individual or entity that has made a political contribution to a candidate committee and/or election fund of any candidate or holder of the public office of Governor, or to any State or County political party committee. Executive Order #134 certification and disclosure forms are required to be submitted by a vendor as part of the procedure for publicly advertised bids.

For further information on Business Registration Certificate visit the website:

<https://www.state.nj.us/treasury/purchase/forms.shtml>

6. BUSINESS REGISTRATION CERTIFICATE

All New Jersey and out of State business organizations that conduct business with NJCU are required to be registered with the State and provide proof of that registration before entering into a contract with NJCU. The purpose of contractor registration is to ensure that all businesses and their subsidiaries receiving government contracts pay appropriate sales and use, and other taxes. While sales and use taxes are not paid on government contracts, the requirement to register to obtain government contracts obligates them to comply with the law on non-government contracts. Businesses, particularly out-of-state businesses, competing with New Jersey based businesses often do not pay the required taxes. Thus, unregistered businesses take unfair advantage of New Jersey businesses and deprive the State of its rightfully due taxes. Business Registration Certificates are required to be submitted by a vendor as part of the procedure for publicly advertised bids. Failure to submit such valid business registration certificate with a bid will render the bid materially non-responsive. The Purchasing Department will update NJCU community periodically as changes in the New Jersey law are enacted.

For further information on Business Registration Certificate visit the website:

<http://www.state.nj.us/treasury/revenue/gettingregistered.shtml>

7. EQUAL EMPLOYMENT OPPORTUNITY (EEO)/AFFIRMATIVE ACTION EVIDENCE (AA)

All successful procurement, professional and service vendors who conduct business with NJCU are required by the State to submit after notification of award of a goods and services contract, but prior to signing one of the following forms of EEO/AA evidence to the public agency:

1. An existing federally approved or sanctioned Affirmative Action Program.
or
2. A Certificate of Employee Information Report.
or
3. If you cannot present items 1 or 2 then you are required to submit a Completed Employee Information Report (Form AA302). This form will be made available to you by the Public Agency awarding the contract. It must be submitted to both the Public Agency and Treasury's Division of Purchase & Property EEO Monitoring Unit in order to apply for a Certificate of Employee Information Report. A contractor's bid must be rejected as nonresponsive if the successful vendor fails to submit either 1, 2, or 3 within the time specified.

For further information on Equal Employment Opportunity (EEO)/Affirmative Action Evidence (AA) visit the website:

http://www.nj.gov/treasury/contract_compliance/

8. E-PROCUREMENT

NJCU's Purchasing and Accounts Payable Departments have implemented the PeopleSoft E-Procurement module. Departmental requesters will use the online requisition functionality in the People E-Procurement module to initiate a request for purchase. The identification of where the expense should be charged will be done on the requisition and will carry forward automatically through the Purchase Order (PO) then to the Voucher (vendor payment). Online workflow approval and receiving processes replace the manual signature approval.

There are eight levels of approval depending on the criteria:

- 8.1 Project Approval – This approval is required if the requisition contains a project or grant number.
- 8.2 Department Approval – This is the minimum approval required for all requisitions.
- 8.3 Category Approval – This approval is required if the requisition contains items belonging to equipment, chemicals, and/or facilities categories.
- 8.4 Grant Approval -- This approval is required if the requisition contains a grant number.
- 8.5 Manager/Dean Approval – This approval is required if the requisition amount is greater than \$500 or \$999 (Depending on dean/managers' preference).
- 8.6 Associate Vice President/Vice President – This approval is required if the requisition amount is greater than \$1,000.
- 8.7 CFO – This approval is required if the requisition amount is \$10,000 or greater.
- 8.8 Accounts Payable – This approval is required for all Special Handling and Employee Reimbursement Requisitions.

The requisition does not get routed to the next approval level until its predecessor is approved. Once the requisition is fully approved, it will be routed to Purchasing to generate a purchase order, which is the official authorization to purchase goods or services. The requestor/user is responsible for monitoring their requisitions and knowing when a purchase order has been generated and purchase authorized.

Vendors are required to send invoices directly to the Accounts Payable department for processing. Authorization to pay is confirmed via online receiving and acceptance of the goods or services by the departments. Accounts Payable will enter the invoices from the vendors, as vouchers, into the PeopleSoft payables system in the order they are received. PeopleSoft will match vouchers to the purchase order and receipts. Any exceptions to the matching process (quantity or price variances) over predefined tolerances are routed to purchasing or the departments for resolution. Once the vouchers are successfully matched, the PeopleSoft system will generate payments when due based on payment terms and invoice dates. The user/requestor is responsible for monitoring the life cycle of their requisitions.

9. COMMITMENT CONTROL

Commitment Control is a delivered system functionality that allows for budgeting controls. It is a module within the PeopleSoft Financial System which can track and potentially control expenditures and purchasing. The purpose of this is to prevent overspending of a set budget for non-salary operating expenses. If an amount is requisitioned which causes the non-salary budget portion of the budget of the department budget to be exceeded, a budget error message will be generated if the department cannot resolve the issue, contact the Budget Office for assistance and to determine the cause of the over-expenditure. If there are insufficient funds in the account, the department head must consult with the Dean/Vice President to determine if additional funds are available.

10. PURCHASE REQUISITIONS

All requisitions are initiated by authorized personnel from departments requiring goods and/or services. In most cases goods are tangible items (eg. shirts, equipment, books, etc) that can be received on line individually and are entered by quantity. Services are non-tangible items and are usually received by amount only. (eg. consulting, repairs, etc.)

11. GENERAL INFORMATION

- 11.1 An internal requisition via E-Procurement or manual requisition is considered an “in-house” document only. Requisitions should not be faxed, mailed or given out to vendors.
- 11.2 University departments that make purchases without the Purchasing Department issuing a Purchase Order are committing to a personal financial obligation to the vendor for which he/she may be held responsible.
- 11.3 Some items requisitioned may be on State contract or may need to go out to bid (See page 8 on Bid Procedures).
- 11.4 All requests for supplies, equipment and services may be combined for “group” buying if other departments have requested the same class of items or commodities. On occasion this can also result in a bid process from the Purchasing Department before a Purchase Order can be assigned and issued.
- 11.5 All requisitions over \$35,500 will require the competitive, publicly advertised bid process unless on a State contract. Purchasing will make the determination and manage the bid process. Contact the Purchasing Department before submitting an on-line requisition if this applies (See page 8 on Bid Procedures).
- 11.6 Confirming or “after the fact” requisitions are not allowed. Any employee that orders and/or purchases goods or services without obtaining proper authority and approval signatures prior to the purchase (an internal purchase requisition is completed and the purchase order issued), may be accountable for the cost of the goods/services.

12. PURCHASING METHODS

12.1 PURCHASE ORDER

A purchase order is defined as a contract between NJCU and a vendor for goods and/or services. The primary purchasing tool is the PeopleSoft Financials system which utilizes the use of E-Procurement with on-line requisitions. Using a purchase order to initiate every purchase provides the means to insure that each transaction is covered by a proper contract and that the funds are encumbered. A contract details commodities, prices, and terms and conditions specifying each party’s rights and obligations. Generally, a contract’s terms and conditions specifying each party’s rights and responsibilities are questioned only when a dispute arises. However, as the dollar amount of a transaction rises or the level of risk in the activity (such as potential for injury) increases, so does the likelihood for major disputes and, therefore, the need for written contracts.

The dollar amount and the type of purchase and/or commodity being acquired is the basis for determining the correct purchasing procedure. These procedures, using sound business practices, provide the basis for prudent purchasing at any dollar value.

A purchase order must be issued at the time NJCU incurs a liability for any type of good or service.

12.2 TYPES OF PURCHASE ORDERS

12.2.1 Purchase Order: A purchase order is created from information contained in the approved on-line requisition. The purchase order is used by the vendor for authorization, to identify the purchase and is listed on shipping documents and invoices. In case of an emergency, please contact the Purchasing Department at 201-200-3159 to determine the best possible method of procuring goods and/or services.

12.2.2 Blanket Purchase Orders: When departments are faced with numerous repetitive orders for miscellaneous requirements to a single vendor, or when departments have a requirement for a known quantity of an item or items to be delivered over a period of time, a Blanket Purchase Order may be issued. This type of purchase order is used for small commodity-type purchases or services that are recurring. It does not require a specific listing of material desired, but instead stipulates a maximum amount of money for purchases of specified groups of supplies or services or maximum amount per invoice. Equipment purchases are not allowed and blanket orders cannot be used for items requiring quotes or bids. A blanket purchase order must be requested on line and a purchase order issued before any purchase can be made. The total cumulative purchase cannot exceed the blanket purchase order amount or it will not be paid. If a blanket purchase order needs to be increased, a new requisition specifying the original purchase order must be submitted through the approval process. Blanket purchase orders are based on the current fiscal year and will be closed at the end of each fiscal year.

12.3 E-COMMERCE

Business-to-Business (B2B) relationships have been, and are continuing to be established with select high-volume vendors in an effort to facilitate the ordering, invoicing and payment processes for the departmental user, the vendor and NJCU. Currently NJCU's main (B2B) vendor is OfficeDepot for office supplies, Grainger for industrial supplies and CDW and SHI for technology related items. Other (B2B) vendors will be added as needed.

12.4 CONTRACT AND DIRECT VENDORS

Direct Contracts have been established with GOURMET DINING for food services and BARNES & NOBLE for the bookstore. You may request goods and services directly with these vendors. A process has been implemented with these particular vendors whereby authorized personnel can request and sign a work order form for goods or services from either vendor which streamline the normal E-Procurement process. Upon approval of purchases, GOURMET DINING and BARNES & NOBLE will submit their billings to accounts payable on a monthly basis for payment. See Exhibits C – F.

Magazine subscriptions are currently available through EBSCO Subscription Services and are renewed on an annual basis. Please notify the purchasing department of any changes or additions. Do not submit subscription renewal and payments directly to the vendor unless otherwise notified by purchasing.

12.5 PURCHASING CARDS

Departmental credit cards are to be used to purchase goods/services with a dollar value under \$500 and in instances where either the transaction is for a one-time/exceptional purchase, the vendor does not accept purchase orders, or credit cards are the industry standard payment. The departments are responsible for all receipts and paperwork regarding the transactions and are subject to periodic audits.

Procurement Services has been issued PCards for approved purchases as needed with different limits.

12.6 ENTERTAINMENT, MEALS AND REFRESHMENTS – SEE EXHIBIT G

In accordance to the State of New Jersey circular number 11-09-OMB:

Definitions:

Dignitary – A notable or prominent public figure; a high level official; or one who holds a position of honor. A dignitary, for purposes of this circular, is NOT a State employee.

Entertainment – activities, events or functions provided or held for the benefit of patients, inmates, students of State institutions, dignitaries and other “non-State” employees which are paid from public funds.

12.6.1 Allowable Expenditures

- a. Entertainment of dignitaries and other “non-State” employees, including meals and refreshments and any other expenses directly related to such entertainment.
- b. Board, commission, council, organizational, etc. meetings are limited to light meals and refreshments.

It is expected that these expenditures will be minimal and infrequent.

A justification is required for all entertainment related expenses. This information is already captured online for all Food Services catering orders. For all other entertainment expenditures processed through a PCard or through an ePro requisition, the Entertainment Justification Form (Exhibit G) must be filled out and submitted accordingly.

12.7 MISCELLANEOUS REIMBURSEMENTS

Miscellaneous reimbursements typically occur when it is necessary to reimburse for approved departmental expenses when a purchase order, e-commerce vendor or a departmental credit card could not be used. These types of reimbursements follow the guidelines of Travel Reimbursements and Special Handling Requisitions.

12.8 TRAVEL REIMBURSEMENTS

12.8.1 Reimbursements for all related travel expenses such as:

- Registration and conference fees;
- Business meals outside of the office; and
- Overnight travel expenses.

12.8.2 NJ State regulations prohibit reimbursement of alcohol related expenses, flowers (sentiment and/or condolence intended), contributions, gifts, tickets for events, and meals (not incurred during a business related occasion).

12.9 SPECIAL HANDLING REQUISITIONS

Allowable items to be submitted through Special Handling in PeopleSoft form consist of the following:

- 12.9.1 Payments to individuals for participation in music, dance, theatre production, off duty police, art department models, D.J.’s etc.

***Payments to employees must be directed to Human Resources for processing;

12.9.2 Conferences (if your NJCU PCard is not available);

12.9.3 Registration Fees (if your NJCU PCard is not available);

12.9.4 Membership Fees (if your NJCU PCard is not available); and

12.9.5 Permits/Fees.

Special Handling requisitions are required to be completed in their entirety with the proper documentation attached.

- a. All expenses must be supported by detailed or itemized receipts.
- b. Original invoices must be obtained and attached, supplier “statements” are not proper documentation
- c. Business purpose must be documented on the Special Handling [please attach evidence supporting the business purpose (eg. meeting agenda)]
- d. All approvals follow the standard approval workflow in PeopleSoft.

13. PURCHASE ORDER CANCELLATION AND CHANGE ORDER REQUESTS

Any request to modify or cancel an order should be directed to the Purchasing Department in writing via email or interoffice with the vendor name, purchase order number and the reason for the cancellation or change. The Purchasing Department will then act in the best interest of NJCU and advises all parties accordingly. Please note that a purchase order is a binding contract between NJCU and the vendor and therefore it cannot be modified or cancelled unilaterally.

14. PRE-PAYMENTS

The general rule for payment of requisitioned goods and services is to pay after the receipt of the item(s) or service(s). In some situations where a pre-payment may be required, attach documentation from the vendor to a purchase or special handling requisition, as applicable, with justification and forward accordingly. It is the end users responsibility to be aware of duplicate requests for payment. The Purchasing and Accounts Payable Department are available for assistance in researching requests.

15. MERCHANDISE RETURNS AND REPAIRS

Merchandise to be returned or repaired to a vendor for adjustment or credit should be cleared through the Purchasing Department. The Purchasing Department will work with the requisitioning department and the vendor to make arrangements for the return. In some cases, if the vendor is not at fault for sending the incorrect merchandise, they may charge a restocking fee.

16. UNAUTHORIZED PURCHASES

The Purchasing Department has the authority to obligate NJCU for the purchase of goods and services. Any purchases made outside this policy will become the sole liability of the individual making the purchases.

17. COPIERS (MULTI-FUNCTION DEVICES)

NJCU's fleet copiers are currently under warranty and maintenance agreement with Stewart Industries. All toner and parts are included, except for staples which must go through the purchase order process. You should contact Stewart Industries in case of any copier repairs and toner needs. (For service call 800-583-4996, for supplies call 800-322-5584)

18. ITEMS ORDERED ON A "PREVIEW" OR "TRIAL BASIS"

An internal purchase requisition must be completed and sent to Purchasing for all items that are ordered on a "trial basis" or are ordered for "review". Please indicate in comments that the item is a demo. At the end of the "trial period" it is the user department's responsibility to notify Purchasing of the decision to keep or return the items. It is customary for vendors to bill for the merchandise automatically after the trial period; therefore timely notification is required.

19. BID PROCEDURES

NJCU Purchasing department will determine when competitive bids for goods and services are required in accordance with New Jersey State College Contract Law.

All purchases, exceeding \$5,000 but less than \$35,500 will be awarded using the competitive bidding procedures. We need to obtain at least three competitive bids (quotes) as dictated by the dollar amount. Please contact the Purchasing Department for assistance.

19.1 PURCHASES OVER \$35,500 (EFFECTIVE JULY 1, 2021)

The Purchasing Department may solicit bids and place orders for goods and services based upon the requirements of University departments. A supplier cannot be used by NJCU once the threshold amount of \$35,500 is reached. The bid threshold is cumulative for each supplier during each fiscal year.

The exceptions to bidding thresholds are as follows:

19.1.2 The NJCU Board of Trustees enacts a resolution at a public meeting under the "waiver" guidelines of the New Jersey State College Contract Law.

19.1.3 When an emergency affecting the health, safety or welfare of University occupants or property requires the immediate delivery of materials or supplies or the performance of work, please contact the Purchasing Department at 201-200-3159.

19.1.4 The State of New Jersey Purchase Bureau establishes contracts for goods and services for qualified suppliers. The list of state contract suppliers can also be accessed via the internet at www.state.nj.us/treasury/purchase or in NJCU Purchasing Department. You must make sure that the goods and/or services supplied under state contract are the exact good and/or services required.

19.1.5 The use of the Federal Supply Schedules of the General Services Administration as in federal and government contracted vendors. Information pertaining to this material is available in the Purchasing Department.

19.2 PROCEDURES FOR PUBLICLY ADVERTISED BIDS

19.2.1 A formal request (Request to Bid, Form PUR-001 available in the Purchasing Department) from a user department must be approved by the Department Chair, Dean and Vice President and submitted to the Purchasing Department in order to initiate the bid process.

- 19.2.2 The basis of all bidding is the development of specifications and plans, as it becomes the standard by which bidders determine their prices and response. The Purchasing Department issues bid specifications and plans which permit fair and equitable bids/proposals from qualified suppliers.
- 19.2.3 When any request for a bid is prepared, there are certain drafting prohibitions such as:
- a. No specifications may require a standard, restriction, condition or limitation not directly related to the purpose, function, or activity for which the purchase, contract or agreement is made;
 - b. No specifications may require the use of any “brand name” unless the phrase “or approved equal” is inserted in the specifications. This shall allow vendors to bid on substitute or equivalent goods and services which may be just as good as originally specified and may cost less.
 - c. If alternates are not acceptable, the user department must give written justification for each alternate rejected. If requested, the written justification is retained in the bid file and shall be open to the public for review.
- 19.2.4 Once the specifications have been determined, formal bids can then be prepared and sent to vendors.
- 19.2.5 Bids in excess of \$35,500 must be advertised and published in a legal newspaper sufficiently in advance of the date fixed for receiving the bids to promote competitive bidding, but in no event less than 10 days prior to the bid opening. The invitation for bids sets forth the basic requirements of the bid:
- a. The title of the bid and the bid number;
 - b. The location that the bid will be received;
 - c. The time and date of the bid opening; and
 - d. The requirement for the bid to be sealed.
- 19.2.6 Bids are received in the Purchasing Department on the date and time specified and thereafter is unsealed and the contents publicly announced in the presence of any parties bidding or their agents who are present. A proper record of the prices and terms are made. No bids shall be received after the time designated in the advertisement.
- 19.2.7 NJCU shall award the contract or reject all bids within such time as may be specified in the specifications or other documents issued to all bidders, but in no case more than 60 days, except the bids of any bidders who consent to a change either before or after the 60 day period as agreed.
- 19.2.8 After the bid opening, the bid tabulation data is prepared by the Purchasing Department and forwarded to the requisitioner with copies of the bids. The Purchasing Department has a decision matrix available in the event that the bid specifications were not based solely on the lowest bid but based upon the most responsive and responsible bidder meeting all of the specifications and requirements including price.
- 19.2.9 The user department must either give a written decision to the Purchasing Department to accept or reject the lowest bid (if the lowest bid is the sole criteria) or a written decision

to accept a bid/proposal based upon critical elements in the specifications and documents which comprise the bid.

19.2.10 The Purchasing Department shall review the decisions to determine if the user department is justified or if any additional information should be required. In the event of disagreement concerning the selection of a vendor, the final decision shall be made by the Vice President for Administration and Finance.

19.2.11 The Purchasing Department will send a letter(s) to the vendor(s) indicating that the bid was not accepted and will issue an award letter to the winning bidder. Providing the vendor(s) do not protest within a reasonable period of time, (approximately one week), a purchase order is then released. In cases where a vendor protests, then the Purchasing Department will need to escalate the situation accordingly. When the Director of Purchasing does not accept the justification for the rejection of a bid, the requisitioner will be advised if an agreement is reached or the transaction will be terminated.

20. SIGNATURE AUTHORITY

Individuals are identified in each of the departments with the authority to initiate requests for purchases of goods and services. The following dictates the total commitment/expenditure that each individual at the various levels at NJCU is authorized to approve. These are the minimum guidelines that NJCU must follow in order to purchase goods and services. Higher approval levels can be obtained as dictated by individual departmental policies.

20.1 OPERATING EXPENSES

20.1.1 Purchase Requisitions

- a. Chair, Director and/or Designee approval up to \$500.
- b. Director, Dean and/or Designee approval over \$500.
- c. Vice President, Associate Vice President and/or Designee approval over \$1,000.
- d. Chief Financial Officer \$10,000 or more

20.2 TRANSFER OF BUDGET TO ANOTHER DEPARTMENT

- a. Vice President of respective department
- b. Vice President of Administration and Finance

20.3 OFFICE SUPPLIES (OFFICEMAX) ON-LINE PURCHASES

All office supplies purchases are processed in PeopleSoft through Direct Connect. The standard approval process applies and is routed through workflow.

20.4 PURCHASING CARD PURCHASES

The transaction limit for the President and Vice Presidents will vary based on business needs and approval. Associate Vice Presidents and Deans will not exceed \$1,000.00. All other cardholders will not exceed \$500.00. Departments may establish lower transaction limits as needed. Select departments may have higher transaction limits based on business needs and approval

20.5 TRAVEL REQUESTS

Overnight Travel
Local Travel

President
Dean/Director

Special Handling Requests

Same as Operating Expense

**Capital Expenditures
Facilities Management¹
In budget**

Same as Operating Expense

**Information Technology²
In budget**

Same as Operating Expense

Environmental Safety³

Same as Operating Expense

Projects

Same as Operating Expense with Project Manager's approval

Grants

Same as Operating Expense operating with Grant Manager's approval

20.6 CONTRACTS AND AGREEMENTS

Contracts and/or agreements with outside vendors or entities for goods or services may only be executed by the following individuals on behalf of the University:

Sue Henderson, President
Aaron Aska, Chief Operating Officer
Edie DelVecchio, Associate Vice President- Business Services

20.7 CHECK SIGNING (CONTROLLERS OFFICE)

All checks over \$10,000 will have two signatures. The Authorized signers are the Chief Operating Officer and the Chief Financial Officer.

21. PROFESSIONAL AND CONSULTING SERVICES

Professional Services refers to services rendered or performed by a person authorized by law to practice a recognized profession and whose practice is regulated by law and the performance of which services requires knowledge of an advanced type in a field of learning acquired by a prolonged formal course of specialized instruction and study as distinguished from general academic instruction or apprenticeship and training; such as accounting, architectural and legal services. Professional services also means services rendered in the performance of work that is original and creative in character in a recognized field of artistic endeavor.

Consulting Services may involve information technology, curricular or programmatic review, fund raising, transportation, safety, security, and other subjects. In purchasing such services, the University is relying upon the consultant's experience, knowledge, discretion and decision-making ability and the contract generally will require that the consultant services be provided, supervised and/or certified by one or more specific qualified individuals. Consultant qualifications generally include a formal advanced course of specialized instruction and/or specialized on-the-job experience. Some consultant services may require professional licensing in the State of New Jersey.

¹ In addition all purchases must be reviewed by the Associate Vice President of Facilities and Construction Management.

² In addition all purchases must be reviewed by the Director of Information Technology.

³ All hazardous chemicals purchases must be reviewed by the Director of Environmental Safety

The University strongly recommends that when such services are needed that the Department solicits three competitive quotes from independent contractors that can meet their needs. There will be instances where a Sole Source Justification Form will be acceptable. Department must contact the Procurement Services Department to coordinate. Exhibit A provides further information on the University's policy regarding independent contractors. Once a requisition has been entered with the applicable competitive quotes or a sole source justification form it will undergo the normal purchasing process. In those instances where the contractor requires a signed agreement in addition to an approved purchase order, please refer to Exhibit B – Contractor/Supplier Agreement.

22. SUPPLIER DIVERSITY

NJCU is committed to the principle of diversity and equal opportunity in all of its endeavors and applies this principle in its procurement activity with the objective of encouraging participation by qualified vendors categorized as small, disadvantaged, minority or women-owned enterprises. NJCU believes that strengthening and expanding its vendor base in these business classifications not only may contribute to lowering our operational costs in providing education, research and patient care, but also contributes to the overall health of the greater business community within which we exist. It is a practice of NJCU to actively solicit and identify qualified small, disadvantaged, minority or women-owned businesses and to provide and promote equal opportunities for such vendors within NJCU structure in order to promote vendor diversity.

23. ETHICAL CONDUCT

Ethical business standards shall govern all procurement transactions. Infractions of University procurement policy are to be reported to the Director of Purchasing Services, the department supervisor and/or the Associate Vice President for Finance and Controller.

University personnel shall not solicit any gift or accept any gift from any supplier or prospective supplier. A 'gift' is defined as any item, service, favor, monies, credits, or discounts not available to others and/or which could influence purchasing decisions. University personnel may accept trivial items, such as pens, notepads and promotional items, as a matter of courtesy, but may not solicit them.

NJCU values its suppliers and assumes that vendors, in turn, value NJCU's business. No token or display of this appreciation is necessary or encouraged. All vendors are asked to comply with NJCU's standards by not offering incentives, gifts, or services to individual personnel.

NJCU asks for and offers confidentiality from/to its suppliers. All quotations, proposals, suggestions, and proprietary information are to be held in the strictest confidence. Proprietary information exchanged during transactions shall be identified and treatment of that information clearly agreed upon by both NJCU and the supplier.

24. ACCOUNTS PAYABLE

Accounts Payable is responsible for all vendor payments including employee travel and expense reimbursements. All invoices must be sent directly to Accounts Payable. If a department receives invoices, they must forward them immediately to the Accounts Payable Department for processing.

Checks are processed weekly on the last day of the week and are issued in accordance with the vendor terms and due dates. Our standard vendor terms are NET 30, which means the vendors' invoice will be processed for payment in 30 days from the invoice date, unless otherwise negotiated. Please allow 7 to 10 business days for processing providing all the paperwork is complete and accurate. All vendor checks will be mailed.

25. PURCHASING GLOSSARY OF TERMS

- Back Order - The portion of an order which the vendor cannot deliver on schedule and which has been re-entered for shipment when available.
- Best Interest of NJCU - This purchase is made so as to be advantageous to New Jersey City University.
- Blanket Order - An order wherein only the total amount of money to be spent and time frame in which orders may be placed is known within a defined commodity group.
- Conflict of Interest - Contracting with any University employee or their relative for services or goods represents a potential conflict of interest. It is important that the appearance of preferential treatment be nonexistent. For that reason, such transactions are discouraged. However, an exception can be made via the competitive bid process. The request for quote must be advertised and sealed bids submitted.
- Contract - Any agreement or purchase order for the purchase or disposal of commodities or services.
- Emergency Purchase - The immediate purchase of commodities or services caused by a sudden, unexpected turn of events beyond the control of NJCU involving public health, welfare, safety, injury, or loss.
- Independent Contractor – See Exhibit A
- Procurement - Buying, purchasing, renting, leasing or otherwise acquiring any materials, services or construction. Procurement also includes all functions that pertain to obtaining any material, service or construction, including description of requirements, selection and solicitation of sources, preparation and award of contract and all phases of contract administration.
- Purchase Order - A legal document used to formalize a purchase transaction with a vendor.
- Purchase Request or Requisition - Document or electronic transmission whereby a department requests the procurement of materials, services or construction.
- Request for Proposal Two-Step Negotiation - Solicitation of a Request for Information, review and selection of acceptable proposals and the subsequent solicitation of sealed bids from those contractors submitting technically acceptable proposals.
- Services - The furnishing of labor, time or effort by a contractor which does not involve the delivery of a specific end product other than required reports or performance. Services do not include Personal Services Agreements.
- Solicitation - An Invitation for Bid, Request for Proposal, a Request for Quotation, Request for Information or any other invitation or request by NJCU which invites a contractor to participate in a procurement process.
- Vendor - Any person or company that sells something or charges for a service.

EXHIBIT A

Independent Contractors

Overview

Before a tax-exempt organization, such as New Jersey City University (“NJCU” or the “University”) can determine how to treat payments for services rendered, one must first obtain an understanding of the business relationship that exists between NJCU and the person performing the services. The person performing the services may be an independent contractor or an employee, and in determining which one of these the person providing services should be classified as, all information that provides evidence of degree of control and independence must be considered. The improper classification of a person providing services can lead to significant penalties exercised against NJCU. The more stringent of these penalties are exercised when a person is classified as an independent contractor when they should be an employee. NJCU withholds income taxes, withholds and pays social security and Medicare taxes, and pays unemployment tax (if applicable) on wages paid to an employee. Taxes are not withheld or paid on payments to independent contractors. Therefore, if NJCU incorrectly classifies a person as an independent contractor, NJCU can be held liable for employment taxes, plus interest and penalties.

In order to assess whether a person is an independent contractor or employee, behavioral control, financial control, and the actual relationship between the individual and NJCU must be considered. In general, someone who performs services for you is your employee if you can control what will be done and how it will be done. Likewise, the general rule is that an individual is an independent contractor if NJCU, or the organization for which the services are being performed, has the right to control or direct only the result of the work and not the means and methods of accomplishing the result.

Behavioral Control

Facts that show whether NJCU has a right to direct and control. These include:

1. **Instructions** - an employee is generally told:
 - When, where, and how to work;
 - What tools or equipment to use;
 - What workers to hire or to assist with the work;
 - Where to purchase supplies and services;
 - What work must be performed by a specified individual; and
 - What order or sequence to follow.
2. **Training** – an employee may be trained to perform services in a particular manner.

If an individual is the decision maker for any of the areas above, such individual should be treated as an independent contractor. All others should be treated as employees of NJCU.

Financial Control

Facts that show whether NJCU has a right to control the business aspects of the worker’s job include:

- The extent to which the worker has un-reimbursed expenses

If an individual is reimbursed for expenses, they are usually functioning as an employee. If expenses are not reimbursed to an individual, they are usually an independent contractor.

- The extent of the worker’s investment

If an individual is not able to perform their services without the use of NJCU’s facilities, equipment, etc. they are to be classified as an employee. If services are able to be performed without the use of NJCU’s facilities, etc. the individual satisfies an independent contractor characteristic.

- The extent to which the worker makes services available to the relevant market

If the individual makes their services available to the public through advertising, licensing, etc. they can be classified as an independent contractor.

- How the business pays the worker

If the individual is compensated only upon the satisfactory completion of the services, they can be considered an independent contractor.

- The extent to which the worker can realize a profit or loss

Independent contractors have the ability to make a profit or loss; employees cannot suffer a loss.

Type of Relationship – Facts that show the type of relationship include:

- Written contracts describing the relationship the parties intended to create;
- Whether the worker is provided with employee-type benefits, such as insurance, pension plan, vacation pay, or sick pay; and
- The permanency of the relationship.

If an individual is engaged with the expectation that the relationship will continue indefinitely, rather than for a specific period or project, this is generally considered that the intention was to create an employer-employee relationship.

- How integral the services are to the principal activity

If an individual provides services that are a key aspect of your regular business activity or the individual is performing a daily or critical service that is part of the daily operations of NJCU, an employer-employee relationship is created.

Course of Action

In an effort to quantify NJCU's potential exposure relating to such matters, the Controller's Office will be performing an internal assessment to identify those cases in which individuals are potentially being paid as an independent contractor. On a case by case basis, the relationship will be tested to identify if the facts above are satisfied and to what magnitude.

Purchase Orders

A purchase order must be issued simultaneously with the execution of an independent contractor agreement to assure that funds are available.

Results/Conclusion

The Associate Vice President for Finance and Controller, working in collaboration with the Director for Human Resources, will make the final determination as to whether an individual should be classified as an employee or an independent contractor. This determination will be made in accordance with the applicable Internal Revenue Code. Whether erroneous or intentional, misclassification of workers may subject NJCU to penalties for failure to file required tax returns, failure to pay taxes due and failure to make required deposits. In order to minimize the tax exposure to NJCU and if it is unclear as whether an individual is an employee or an independent contractor, NJCU will err on the side of classifying an individual as an employee.

EXHIBIT B

CONTRACTOR/SUPPLIER Agreement

This AGREEMENT, made as of DATE: between New Jersey City University, 2039 Kennedy Boulevard, Jersey City, NJ 07305-1597 (Herein after “UNIVERSITY”) and NAME:
ADDRESS:

(Herein after “CONTRACTOR/SUPPLIER”)

IN CONSIDERATION OF the mutual promises hereinafter contained, the UNIVERSITY and CONTRACTOR/SUPPLIER agree as follows:

1. PURPOSE: The CONTRACTOR/SUPPLIER will provide services at the UNIVERSITY, for the
 2. TERM:
 3. CONSIDERATION: The total consideration to be made by the UNIVERSITY is CONTRACT VALUE: which shall be paid 30 days after the event/completion of services and receipt of invoice. This fee includes all costs and expenses of the CONTRACTOR/SUPPLIER, including mileage, travel time and expenses, meals, lodging accommodations, or equipment rental.
 4. CONTRACTOR/SUPPLIER’s must include a completed W-9 form and Supplier Information Form to receive payment under this contract.
 5. NJ BUSINESS REGISTRATION CERTIFICATE: The UNIVERSITY requires that all payments over \$5,000.00 are contingent upon the CONTRACTOR/SUPPLIER’s completion of the vendor registration with the Division of Revenue Department of the Treasury in the State of New Jersey. To register call the Division of Revenue hotline at (609) 292-1730 or register on their website at: <http://www.state.nj.us/treasury/revenue/gettingregistered.shtml>
 6. PUBLIC LAW 2005, CHAPTER 51(formerly known as Executive Order 134) AND EXECUTIVE ORDER 117: Business entities or individuals cannot be issued contracts, purchase orders, or payments of \$17,500 or more annually, if that business entity or individual has made political contributions of \$300 or more to a gubernatorial candidate’s campaign, a legislative leadership committee, municipal political party committee, or a candidate committee, election fund of any candidate or holder of the office of Lieutenant Governor. This applies to individual orders or cumulative orders that reach the \$17,500 threshold.
https://www.state.nj.us/treasury/omb/bankingservices/rfp_rev_ach_collection_serv/rfp_exhib_f.pdf
 7. CERTIFICATE OF EMPLOYEE INFORMATION REPORT: The UNIVERSITY requires that all payments over \$5,000.00 are contingent upon the CONTRACTOR/SUPPLIER obtaining a Certificate of Employee Information from the Division of Equal Employment Opportunity/Affirmative Action (EEO/AA) in the State of New Jersey. Please note it is the CONTRACTOR/SUPPLIER’s responsibility to submit the application fee and form to the Division of Equal Employment Opportunity/Affirmative Action (EEO/AA). To obtain certificate, download the application at:
http://www.state.nj.us/treasury/purchase/forms/AA_%20Supplement.pdf
- ***Payment cannot be rendered without a valid NJ Business Registration Certificate and a Certificate of Employee Information Report.
8. INDEPENDENT CONTRACTOR/SUPPLIER: Both UNIVERSITY and CONTRACTOR/SUPPLIER are independent contractors. This Agreement is not intended to establish any employer/employee, joint venture, or partnership relationship, either expressly or by implication between UNIVERSITY and CONTRACTOR/SUPPLIER.

EXHIBIT C

Gourmet Dining Food Service Process

Due to contractual obligations, all on-campus catering orders must be processed through Gourmet Dining. The following process has been implemented to facilitate on-campus catering orders:

1. Departments will enter an order online through eCater.
2. Procurement Services will approve the eCater orders upon receipt of the fully approved Food Service Catering Approval form.
3. Once the order is fully approved Gourmet Dining will process the catering order.

On a monthly basis:

1. Gourmet Dining submits an itemized spreadsheet along with the appropriate invoices and justification forms to the Director of Procurement Services.
2. Procurement Services reviews report for accuracy.
3. Payment will be rendered once charges are verified.

Exhibit D

Barnes & Noble Bookstore Process

Due to contractual obligations, all orders for books and promotional items must be sourced through the Barnes & Noble campus bookstore. The following process has been implemented to facilitate campus bookstore orders:

1. Departments contact the bookstore at extension 3503, in person or via email at: bksjerseycity@bncollege.com
2. Once the quote provided has been finalized, the Department coordinates the order with Barnes & Noble campus store.
3. The Bookstore creates an invoice and requires departments to complete the Campus Bookstore Order Approval Form with the department name and appropriate signature.
4. Barnes and Noble will then attach the Campus Bookstore Order Approval Form to the actual invoice.

On a monthly basis:

4. Barnes & Noble submits an itemized spreadsheet along with the appropriate invoices and justification forms to the Director of Procurement Services.
5. Procurement Services reviews report for accuracy.
6. Payment will be rendered once charges are verified.

EXHIBIT E

Campus Bookstore Order Approval Form

Department: _____

Contact Name: _____

Phone Ext: _____ **e-Mail Address:** _____

Description of purchase: _____

Date of Purchase: _____ **Total: \$** _____

ACCOUNT TO BE CHARGED

_____ *Fund #	_____ *Department #	_____ Grant/Project# (if applicable)	_____ Bud Ref (if applicable)
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Director/Chair Signature

Date

Grant Office Signature (if applicable)

Date

Dean Signature (if applicable)

Date

Vice President Signature (if applicable)

Date

***Please Note: Orders \$500+ require Vice President's signature.**

EXHIBIT F

Entertainment Justification Form

Vendor: _____

Transaction Amount: _____

Transaction Date: _____

Description of the charge, entertainment, activity, event or function:

Purpose/justification of the charge, entertainment, activity, event, or function:

Make-up of the group (staff and/or students) participating in the entertainment, activity, event, or function (if applicable):

Names and titles of any State employees included in the group (if applicable):

I _____ state that there was no alcohol served to any State employee during this activity, event, or function.

Signature: _____ **Date:** _____