

Midwestern State University
Administrative Council
February 25, 2013
Meeting No. 13-03

The Administrative Council met Monday, February 25, 2013, at 2:00 p.m. in the J. S. Bridwell Foundation Board Room in the Hardin Administration Building. Present were Dr. Jesse W. Rogers, Chairman; Dr. Betty Stewart, Dr. Marilyn Fowlé, Dr. Keith Lamb, Dr. Howard Farrell, Dr. Robert Clark, Mr. Barry Macha, Mr. Kyle Owen, Mr. Matthew Park, Dr. Pam Morgan, Mr. Charlie Carr, Mr. Anthony Gallina, Ms. Julie Gaynor, Ms. Dianne Weakley, Dr. James Owen, Mr. David Spencer, Mr. Dirk Welch, and Ms. Cindy Ashlock.

MSU Policy and Procedures Manual

Policy 2.393, Staff Senate Purpose and Constitution, B. Officers

Mr. Welch proposed changing the date to elect Staff Senate officers be changed to August of each fiscal year in order to be in accordance with current Staff Senate By-Laws The Council recommended placing the policy on the May Board of Regents agenda. See **Attachment A**.

Policy 3.317, President's Office, Academic Emeritus Status – Faculty and Administration

Dr. Rogers proposed the addition of the word “consecutive” to the number of years that faculty or administrators would have to serve the university in a full-time position to be eligible for emeritus status. The Council recommended placing the policy on the May Board of Regents agenda. See **Attachment B**.

Policy 3.334, Business Affairs & Finance, Vehicle Use Policy

This item was tabled.

Policy 4.125, President's Office, Records Management Policy

Dr. Rogers stated the reporting department for the policy was being moved from Business Affairs and Finance to the President's Office. The Council recommended placing the policy on the May Board of Regents agenda. See **Attachment C**.

Policy x.xxx, Student Affairs & Enrollment Management, Web Accessibility

Dr. Park stated that to be in accordance with Texas Administrative Code 206.70 and Accessibility Standards (U.S. Section 508 standards), a policy addressing web accessibility for all users needed to be added to the policy manual. The Council recommended placing the policy on the May Board of Regents agenda. See **Attachment D**.

Holiday Schedule 2013-2014

Ms. Weakley stated that two holiday schedules were developed to accommodate those working either the four-day work week or five-day work week. She recommended that employees working the four-day schedule would receive Memorial Day and July 4 as additional days during Spring Break. During the week of Memorial Day and week of July 4, the employees would work 40 hours. Employees working five-days would not receive the additional two days at Spring Break but take Memorial Day and July 4 as holidays. The Council recommended placing the Holiday Schedule 2013-2014 on the May Board of Regents agenda. See **Attachment E**.

MSU Fiscal Regulations and Procedures Manual

Mr. Shelley noted that after the last audit by the State Auditor's Office, it was determined the *Fiscal Regulations and Procedures Manual* should be updated to be in accordance with state and university policies. The Council approved the *MSU Fiscal Regulations and Procedures Manual* as presented. See **Attachment F**.

New Student Organizations

Dr. Park presented two student organizations for approval by the Council. The Golden Key International Honour Society (see **Attachment G**) and the American Association of Petroleum Geologists (see **Attachment H**). Both organizations have completed all necessary paperwork as required from their national organization. The Council approved the organizations as presented.

Proposed Credit Hour Guidelines

Dr. Stewart stated that as a part of our SACS Focused Report a definition of a credit hour was required. The definition varied depending upon the type of course or instructional type. The Council approved the definitions as presented. See **Attachment I**.

Other

Dr. Rogers informed the Council that as a result of generous donors, the university is expanding its academic programs and athletic program. He stated that the addition of baseball was being considered. At his request, Dr. John Martinez and Dr. Yoshi Fukasawa completed an economic review of the impact the addition of baseball would bring to Wichita Falls. Dr. Farrell presented the economic impact to the City of Wichita Falls' 4B Board for their consideration of donating funds to assist with the baseball program.

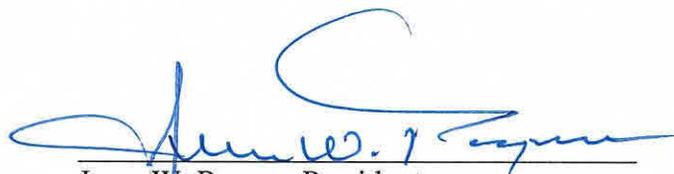
Dr. Clark reminded the Council that the SACS Reaffirmation Committee would be on campus for their on-site visit beginning April 9.

Ms. Gaynor noted that she had received positive response from the campus to the new branding standards.

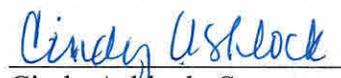
Dr. Fowlé reminded the Council that the Budget Hearings are scheduled for March 22 and 23, 2013.

Dr. Owen informed the Council that the Streich Lectures will be held March 5.

There being no further business, Administrative Council adjourned at 2:59 p.m.



Jesse W. Rogers, President



Cindy Ashlock, Secretary

2.393 Staff Senate

STAFF SENATE PURPOSE AND CONSTITUTION

Date Adopted/Most Recent Revision: 08/10/2012

B. Officers

The officers of the Senate shall be the Chairperson, Vice Chairperson, Secretary/Treasurer, and Parliamentarian, which will constitute the Executive Committee. During the month of ~~May~~ **August**, senators who will serve **in the next fiscal year term** ~~beginning the following September~~, will hold an organizational meeting to elect officers for the new term. The current Chairperson will preside over the organizational meeting and no other business will be conducted. Members elected to the Executive Committee shall serve as officers for a one year term beginning September 1. The Chairperson of the Staff Senate shall be a voting member of the Administrative Council and shall attend the meetings of the Board of Regents. The Executive Committee may appoint ad hoc committees within the membership as deemed necessary.

STAFF SENATE BY LAWS

Date Adopted/Most Recent Revision by Staff Senate: 09/12/12

B. Elections

1. Officers are elected at the ~~first meeting in September~~ **meeting in August** for one year terms.

3.317 President's Office

ACADEMIC EMERITUS STATUS – FACULTY AND ADMINISTRATION

Date Adopted/Most Recent Revision: Approved 05/14/2010 – Effective 09/01/2010

A. General

University faculty at the ranks of assistant professor, associate professor and professor and academic administrators in the positions of dean, provost and vice president for academic affairs, or president may be granted emeritus status upon retirement.

B. Eligibility

Emeritus status may be granted to eligible faculty or administrators who have faithfully served the university for ~~a minimum of~~ ten (10) consecutive years in a full-time position. Faculty will have a record of (1) either extraordinary contributions to teaching or scholarly/creative production or service (2) or have continuously been productive in teaching, scholarship/creative activities, and service. Administrators in the positions of dean or provost and vice president for academic affairs will have notably contributed to the progress of the university. A president who has served the university for ~~a minimum of~~ ten consecutive years will automatically be considered.

C. Process

Unless the provost and vice president for academic affairs or the president is under consideration, the provost and vice president for academic affairs will ask for independent recommendations of the Faculty Senate, the relevant chair and dean, and report these recommendations together with his or her own appraisal to the President of the university. If the provost and vice president for academic affairs is under consideration, the president will ask for independent recommendations from the Faculty Senate, the relevant chair, and dean. If the president wishes emeritus status to be granted, he or she will so recommend to the Board of Regents of Midwestern State University. Self-recommendations are inappropriate.

D. Benefits

In addition to benefits extended to all MSU retirees who have served the university for ten years, emeriti professors and administrators shall be entitled to:

1. use of Midwestern State University's name in their scholarly pursuits;
2. use of university laboratory and office space and other resources depending on availability and the president's approval (permission will be granted on a semester basis);
3. maintenance of their MSU e-mail address;
4. marching in the appropriate position in the academic procession; and
5. actively participating in university events and offerings.

4.125 ~~Business Affairs & Finance~~ **President's Office**

RECORDS MANAGEMENT POLICY

Date Adopted/Most Recent Revision: 02/15/2008

A. General

Midwestern State University recognizes the need for orderly management and retrieval of all official records and a documented records retention and destruction schedule congruent with all state and federal laws and related regulations. It is the policy of Midwestern State University to provide for efficient, economical, and effective controls over the creation, distribution, organization, maintenance, use, and disposition of all records of the university. In the interest of cost-effective and efficient recordkeeping, the university has adopted a comprehensive system of integrated procedures for the management of records from their creation to their ultimate disposition, consistent with the requirements of State Records Management Laws and accepted records management practices.

B. Records Management Officer

The Records Management Officer (RMO) is the person designated by the university **president** to administer the records management program. The RMO will ensure management of the university records in accordance with the requirements of State Records Management Laws.

C. Records Retention Schedule

All official records (paper, microform, electronic, or any other media) will be retained for the minimum periods stated in the Midwestern State University Records Retention Schedule as approved by the Texas State Library and Archives Commission and the Texas State Auditor's Office in compliance with Texas Government Code, Chapter 441. Any destruction of official records of Midwestern State University will be in accordance with this certified schedule and any other laws and rules of the state.

Reference: Texas Government Codes 441 and 552

Proposed New Policy

4. XXX Student Affairs & Enrollment Management

WEB ACCESSIBILITY

Date Adopted/Most Recent Revision:

A. Purpose

The university is committed to providing websites that are designed and created to be accessible to all users. All web-based applications and websites at Midwestern State University shall meet the statutory requirement in Texas Administrative Code (TAC) 206.70, Accessibility Standards, which references the U.S. Section 508 standards. These statutes require all web applications and websites to comply with the TAC 206.70 standards. TAC 206.70 establishes only a minimum standard for accessibility; website developers are encouraged to go beyond this minimum whenever possible.

B. Required Link

Each web-based application or website of Midwestern State University must contain a link for “Web Accessibility Policy,” which directs a user to this policy.

C. Electronic Accessibility Coordinator

The university Webmaster is designated as the MSU Electronic Accessibility Coordinator (EAC). The role of the EAC is to monitor the university’s compliance with web accessibility policies and to facilitate training of MSU web publishers and developers to ensure all web-based applications and sites are appropriately accessible. The EAC may grant written requests for exceptions to accessibility policies as allowed under appropriate circumstances.

D. Grievance Procedures

Individuals with a web accessibility grievance related to discrimination or lack of accommodation on the basis of a disability should contact the university’s ADA Coordinator (Director of Disability Support Services).

Related Policy: 4.189, Disability Grievance Procedures

Holiday Schedule 2013-2014

Schedule I

(Employees on Four-Day, 40 Hour Summer Work Schedule)

Date	Holiday	No. of Days
September 2, 2013	Labor Day	1
November 28 – 29, 2013	Thanksgiving	2
December 23 – 31, 2013	Christmas	7
January 1, 2014	New Year's	1
January 20, 2014	Martin Luther King Day	1
March 19 – 21, 2014	Spring Break	3
Schedule I – Total Holidays		15*

*The university will be closed Monday, May 26 for Memorial Day and Friday, July 4th in 2014. Employees on Schedule I, the four-day workweek, will work 40 hours in each of those weeks; therefore those days are not counted as a holiday and will be observed as 2 additional days off during Spring Break.

Schedule II

(Employees on Five-Day, 40 Hour Summer Work Schedule)

Date	Holiday	No. of Days
September 2, 2013	Labor Day	1
November 28 – 29, 2013	Thanksgiving	2
December 23 – 31, 2014	Christmas	7
January 1, 2014	New Year's	1
January 20, 2014	Martin Luther King Day	1
March 21, 2014	Spring Break	1
May 26, 2014	Memorial Day	1
July 4, 2014	Fourth of July	1
Schedule II – Total Holidays		15

Midwestern State University 2014 Summer Schedule

The University will begin a four-day workweek beginning Monday, May 12 and ending Thursday, August 7, 2014. Office hours will be 7:00 A.M. until 6:00 P.M. with a one-hour lunch break.

- ❖ *This schedule does not apply to areas that are designated to work a five-day schedule.*
- ❖ *Individuals who work an altered schedule (such as 10 or 10-1/2 months rather than 12 months) will be notified by Human Resources concerning hours they will need to work.*
- ❖ *If you have questions concerning your schedule, please see your immediate supervisor. Human Resources should be consulted before any schedule changes are approved.*

- *Employees will not work Memorial Day, Monday, May 26 or Independence Day, Friday, July 4. However, employees on the four-day workweek schedule will work 40 hours in both of the weeks containing those holidays.*
- *Employees who will work four-day workweeks on the summer schedule will observe the Memorial Day holiday on Wednesday, March 19, and will observe Independence Day on Thursday, March 20. They will observe Spring Break on March 21.*
- *Employees who will work normal five-day workweeks on the summer schedule will work on March 19 and March 20 and they will observe a holiday on Memorial Day, May 26 and Independence Day, July 4. They will observe Spring Break on March 21.*
- *The University will resume the five-day workweek on Monday, August 11.*

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Department: PURCHASING

FISCAL REGULATIONS & PROCEDURES

Subject: INTRODUCTION TO PURCHASING

This section is intended to benefit employees who are involved in the business and administrative affairs of the departments and divisions within the University. It should serve as a reference tool for official University procedures. For further references please visit the Midwestern State University Purchasing Department website

(~~<http://www.mwsu.edu/purchasing/>~~) and review the Purchasing Manual and Procurement Card Program Guide. ~~Additional questions may be directed to the Purchasing Department staff located in the Daniel Building, 2nd floor, at #4109 or #4110.~~

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Department: PURCHASING

FISCAL REGULATIONS & PROCEDURES

Subject: PURCHASING ETHICS

- Give first consideration to the objectives and policies of Midwestern State University.
- Strive to obtain the maximum value for each dollar of expenditure.
- Decline personal gifts or gratuities. (**Midwestern State University Policies and Procedures: 3.314 Personnel; ETHICS POLICY FOR EMPLOYEES OF MIDWESTERN STATE UNIVERSITY, Date Adopted/Most Recent Revision: 11/07/03 08-04-06; E. Benefits, Gifts and Honoraria: Gift Items:** An MSU employee shall disclose to his or her respective Vice President (Provost **and Vice President for Academic Affairs**) any gift received in the course of official business having a value of more than \$50. The President shall make such disclosures to the Board of Regents.)
- Grant all competitive suppliers equal consideration insofar as state or federal statute and institutional policy permit.
- Conduct business with potential and current suppliers in an atmosphere of good faith, devoid of intentional misrepresentation.
- Demand honesty in sales representation whether offered through the medium of a verbal or written statement, an advertisement, or a sample of the product.
- Receive consent of originator of proprietary ideas and designs before using them for competitive purchasing purposes.
- Make every reasonable effort to negotiate an equitable and mutually agreeable settlement of any controversy with a supplier; and/or be willing to submit any major controversies to arbitration or other authorized third party review, insofar as the established policies of Midwestern State University permit.
- Accord a prompt and courteous reception insofar as conditions permit to all who call on legitimate business missions.

- Cooperate with trade, industrial and professional associations, and with governmental and private agencies for the purposes of promoting and developing sound business methods.
- Foster fair, ethical and legal trade practices.

All procurement transactions should be viewed from the perspective of a State of Texas taxpayer, and whose money Midwestern State University is spending.

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Department: PURCHASING

FISCAL REGULATIONS & PROCEDURES

Subject: AUTHORITY – PURCHASING

Government Code § 2155.131. DELEGATION OF AUTHORITY TO STATE AGENCIES.

The Texas ~~Building and Procurement Commission~~ **Procurement and Support Services**

Division (TPASS) may delegate purchasing functions to a state agency.

Added by Acts 1995, 74th Leg., ch. 41, § 1, eff. Sept. 1, 1995, Govt. Code.

§ 2155.132. PURCHASES LESS THAN SPECIFIED MONETARY AMOUNT.

- (a) A state agency is delegated the authority to purchase goods and services if the purchase does not exceed \$15,000. If the commission determines that a state agency has not followed the commission's rules or the laws related to the delegated purchases, the commission shall report its determination to the members of the state agency's governing body and to the governor, lieutenant governor, speaker of the House of Representatives, and Legislative Budget Board.
 - (b) The commission by rule may delegate to a state agency the authority to purchase goods and services if the purchase exceeds \$15,000. In delegating purchasing authority under this subsection or Section 2155.131, the commission shall consider factors relevant to a state agency's ability to perform purchasing functions, including:
 - (1) the capabilities of the agency's purchasing staff and the existence of automated purchasing tools at the agency;
 - (2) the certification levels held by the agency's purchasing personnel;
 - (3) the results of the commission's procurement review audits of an agency's purchasing practices; and
 - (4) whether the agency has adopted and published protest procedures consistent with those of the commission as part of its purchasing rules.
- I The commission shall monitor the purchasing practices of state agencies that are making delegated purchases under Subsection (b) or Section 2155.131 to ensure that the certification levels of the agency's purchasing personnel and the quality of the agency's purchasing practices continue to warrant the amount of delegated authority provided by the commission to the agency. The commission may revoke for cause all or part of the purchasing authority that the commission delegated to a state agency. The commission shall adopt rules to administer this subsection.

- (d) The commission by rule:
- (1) shall prescribe procedures for a delegated purchase; and
 - (2) shall prescribe procedures by which agencies may use the commission's services for delegated purchases, in accordance with Section 2155.082.
- (e) Competitive bidding, whether formal or informal, is not required for a purchase by a state agency if the purchase does not exceed ~~\$2,000~~ \$5,000, or a greater amount prescribed by commission rule.
- (f) Goods purchased under this section may not include:
- (1) an item for which a contract has been awarded under the contract purchase procedure, unless the quantity purchased is less than the minimum quantity specified in the contract;
 - (2) an item required by statute to be purchased from a particular source; or
 - (3) a scheduled item that has been designated for purchase by the commission.
- (g) A large purchase may not be divided into small lot purchases to meet the dollar limits prescribed by this section. The commission may not require that unrelated purchases be combined into one purchase order to exceed the dollar limits prescribed by this section.
- (h) A state agency making a purchase under this section for which competitive bidding is required must:
- (1) attempt to obtain at least three competitive bids from sources listed on the master bidders list that normally offer for sale the goods being purchased; and
 - (2) comply with Subchapter E.

~~Added by Acts 1995, 74th Leg., ch. 41, § 1, eff. Sept. 1, 1995. Amended by Acts 1997, 75th Leg., ch. 1206, § 7, eff. Sept. 1, 1997; Acts 1999, 76th Leg., ch. 1499, § 1.17, eff. Sept. 1, 1999, Govt. Code.~~

Added by Acts 1995, 74th Leg., ch. 260, Sec. 18, eff. May 30, 1995. Amended by Acts 2003, 78th Leg., ch. 198, Sec. 2.161, eff. Sept. 1, 2003. Amended by: Acts 2009, 81st Leg., R.S., Ch. 466, Sec. 1, eff. June 19, 2009.

Education Code § 51.9335. ACQUISITION OF GOODS AND SERVICES.

- (a) An institution of higher education may acquire goods or services by the method that provides the best value to the institution, including:
- (1) competitive bidding;
 - (2) competitive sealed proposals;
 - (3) a catalogue purchase;
 - (4) a group purchasing program; or
 - (5) an open market contract.
- (b) In determining what is the best value to an institution of higher education, the institution shall consider:
- (1) the purchase price;
 - (2) the reputation of the vendor and of the vendor's goods or services;

- (3) the quality of the vendor's goods or services;
- (4) the extent to which the goods or services meet the institution's needs;
- (5) the vendor's past relationship with the institution;
- (6) the impact on the ability of the institution to comply with laws and rules relating to historically underutilized businesses and to the procurement of goods and services from persons with disabilities;
- (7) the total long-term cost to the institution of acquiring the vendor's goods or services;
- (8) any other relevant factor that a private business entity would consider in selecting a vendor; and
- (9) the use of material in construction or repair to real property that is not proprietary to a single vendor unless the institution provides written justification in the request for bids for use of the unique material specified.

I The state auditor may audit purchases of goods or services by an institution of higher education or by a component of an institution of higher education that purchases goods and services.

~~(d) To the extent of any conflict, this section prevails over any other law, including Chapters 2155, 2156, 2157, 2158, 2167, and 2170, Government Code, except a law or rule relating to contracting with historically underutilized businesses or relating to the procurement of goods and services from persons with disabilities. An institution of higher education may, but is not required to, acquire goods or services as provided by Chapters 2155, 2156, 2157, 2158, 2167, and 2170, Government Code.~~

(d) Subtitle D, Title 10, Government Code, and Subchapter B, Chapter 2254, Government Code, do not apply to the acquisition of goods and services under this section, except that an institution of higher education must comply with any provision of those laws, or a rule adopted under a provision of those laws, relating to contracting with historically underutilized businesses or relating to the procurement of goods and services from persons with disabilities. An institution of higher education may, but is not required to, acquire goods or services as provided by Subtitle D, Title 10, Government Code.

(e) In this section, "institution of higher education" has the meaning assigned by Section 61.003 and includes a school of veterinary medicine and a health care facility operated by a medical and dental unit, except that the term does not include The University of Texas M. D. Anderson Cancer Center or a public junior college.

(f) This section does not apply to professional services as defined by Section 2254.002, Government Code. **Professional services shall be procured in accordance with Subchapter A, Chapter 2254, Government Code.**

g) An institution of higher education may adopt rules and procedures for the acquisition of goods or services.

(h) In any contract for the acquisition of goods and services to which an institution of higher education is a party, a provision required by applicable law to be included in the contract is considered to be a part of the executed contract without regard to:

(1) whether the provision appears on the face of the contract; or

(2) whether the contract includes any provision to the contrary.

Added by Acts 1995, 74th Leg., ch. 736, § 1, eff. June 15, 1995. Renumbered from V.T.C.A., Education Code § 51.933 by Acts 1997, 75th Leg., ch. 165, § 31.01(21), eff. Sept. 1, 1997. Amended by Acts 1999,

76th Leg., ch. 334, § 1, eff. May 29, 1999; Acts 1999, 76th Leg., ch. 1225, § 17, eff. Sept. 1, 1999; Acts 2001, 77th Leg., ch. 118, § 1.01, eff. Sept. 1, 2001. Amended by: Acts 2011, 82nd Leg., R.S., Ch. 1049, Sec. 2.02, eff. June 17, 2011.

~~Government Code Web Address: www.capitol.state.tx.us/statutes/gvtoc.html~~

~~Education Code Web Address: www.capitol.state.tx.us/statutes/edtoc.html~~

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Department: PURCHASING

FISCAL REGULATIONS & PROCEDURES

Subject: ORGANIZATION AND OBJECTIVES

1. Organization: The Purchasing Department of Midwestern State University is organized and staffed to serve all departments of the University.
2. Objectives: Its primary objective is to procure all goods and services required by the University at the specified quality and quantity levels, and at the lowest ultimate cost consistent with delivery requirements to enable the University to achieve its scheduled goals. The Purchasing Department is under the supervision of the Purchasing Director who is accountable to the Vice President of Administration ~~Business Affairs~~ and Finance.
3. Authority to Obligate Funds: **See MSU Policies & Procedures 2.24 Approval and Execution of University Contracts.** ~~Except for contracts signed by the President and Board of Regents, the Office of Administration and Finance has sole authority to obligate the funds of the University for purchases of supplies and equipment, except where otherwise authorized in writing and in advance by the President or the Board of Regents. The University will assume no liability for payment of obligations which might have been made in any other manner or by any other person. Any department head or any other staff or faculty member who makes a contract for supplies, equipment and/or services without authorization is responsible for clearing the account with the vendor.~~

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Department: PURCHASING

FISCAL REGULATIONS & PROCEDURES

Subject: PURCHASING RESPONSIBILITIES

The Purchasing Department is charged with the following general responsibilities:

1. Reviewing and processing department requisitions for accuracy and completeness of specifications and determining the proper purchasing procedure in view of the funds to be disbursed.
2. Processing of State Contract purchase orders, local orders and requisitions for open-market purchases.
3. Obtaining and reviewing quotations and placement of direct purchase orders.
4. Maintaining accurate and complete files of all purchasing transactions and related correspondence.

5. Developing and maintaining accurate and up-to-date information on sources of materials, services and equipment in the form of catalogs, price lists, websites, etc.
6. Acting as the liaison with the Texas Procurement and Support Services Division Building and Procurement Commission to ensure the most expeditious handling of University orders placed by the Texas Procurement and Support Services Division Building and Procurement Commission.
7. Interviewing suppliers' representatives who call at the University and conducting correspondence with suppliers on all matters related to procurement.
8. Managing the Procurement Card Program for the University. This includes but is not limited to: creating new accounts, training new and current users on the program procedures and rules, managing the program, collecting and auditing Transaction Logs from cardholders, dispute resolution, compiling and reconciling the upload to FRS Banner Finance System and acting as the liaison with the current bank depository service.
9. Committing University resources to achieving the Historically Underutilized Business (HUB) requirements of the State of Texas. Ensuring that Midwestern State University makes available every possible procurement opportunity to HUB vendors. (Texas Government Code 2161; Texas Administrative Code, Title 1, Part 5, Chapter III, Subchapter B, Historically Underutilized Business Program)
10. Tracking, compiling and reporting to the Texas Procurement and Support Services Division (TPASS) Building and Procurement Commission the HUB expenditures for the University.
11. Adhering to State guidelines in reference to the competitive bid process and other State rules and legislation pertinent to purchasing activities.

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Department: PURCHASING

FISCAL REGULATIONS & PROCEDURES

Subject: PURCHASING PROCEDURES

Guidelines for Price Quotations

Bidding Limits are established to ensure that sizable purchases are subjected to fair competition among available, responsible vendors. To effectively expedite and control purchases of goods and services that are under bid limits established by the Texas Procurement and Support Services Division (TPASS) Building and Procurement Commission, the following guidelines have been established by Midwestern State University to assist Purchasing Department employees, as well as other University employees, in obtaining competitive quotes. These guidelines are based on Texas Procurement and Support Services Division Building and Procurement Commission guidelines and Midwestern State University policy.

A. Policies and Procedure Manual 4.158

MSU purchasing policies and procedures are controlled by rules and regulations set forth by the Texas Legislature, the Texas State Comptroller, and the Texas Procurement and Support Services Division (TPASS) Building and Procurement

~~Commission.~~ A detailed outline of purchasing policies and procedures is shown in the MSU Handbook of Fiscal Regulations and Procedures.. It should be noted that if any budgetary unit head or any other staff or faculty member makes a contract for supplies, equipment and or services without a purchase order from the Purchasing Department, he/she may be held personally responsible for clearing the account with the vendor.

B. Best Value Basis

Midwestern State University purchases goods and services on a best value basis including 1) procurement card; 2) informal verbal quotes; 3) formal written quotes; 4) competitive sealed bids; 5) competitive sealed proposals; 6) catalog purchases – Qualified Information Systems Vendor (QISV); and 7) cooperative purchasing.

In determining the best value, the university will consider:

1. the purchase price
2. the reputation of the vendor and of the vendor's goods and services
3. the quality of the vendor's goods or services
4. the vendor's past relationship with the university
5. the extent to which the goods or services meet the university's needs
6. the impact on the ability of the university to comply with the laws and rules relating to historically under-utilized businesses and to the procurement of goods and services from persons with disabilities
7. the total long term cost to the university of acquiring the vendor's goods and services
8. any other relevant factors that a private business entity would consider in selecting a vendor
9. the use of material in construction or repair to real property that is not proprietary to a single vendor unless the university provides written justification in the request for bids for use of the unique material specified.

C. Departmental Purchase Options

1. Procurement Card – Purchases less than the established cardholder's credit limits \$1,000 will be made following the guidelines set forth in the Procurement Card Program Guide. If the Procurement Card policy restricts items or a vendor will not accept a credit card, a purchase requisition should be prepared and submitted to the Purchasing Department.
2. Requisition Purchases – The department submits a formal requisition for the Purchasing Department to secure a good or service. The Purchasing Department places the order with the vendor. If the goods or services are of a time sensitive issue, the confirmation purchase order option may be used.
3. ~~Confirmation Purchase Order – The department prepares a completed purchase requisition form and sends to the Purchasing Department via campus mail or fax. The Purchasing Department will issue a purchase order number and fax the confirming purchase order number to the department. The department places the order with the vendor. The department is responsible for submitting the original paperwork to the Purchasing Department after the order is placed.~~

43. Emergency Purchases – An emergency purchase is defined by the Texas Government Code, Chapter 2155.137 as “a purchase of goods or services so badly needed that an agency will suffer financial or operational damage unless they are secured immediately.” The university will use the standard bid process, including obtaining the required number of bids if time permits. Documentation is to be retained by the Purchasing Department for auditing purposes. The university will have the responsibility for handling complaints and protests. An emergency purchase requires a letter of justification which will become part of the file. The letter should be by the appropriate Vice President or the Provost and be forwarded to the Director of Purchasing.

- State the reason for the emergency purchase by explaining what the emergency is and/or what caused the emergency situation;
- State the financial or operational damage that will occur if needs are not satisfied immediately; and
- State why the needs were not or could not be anticipated so that items could have been requisitioned through the Purchasing Department following regular procurement procedures.

D. University Purchasing Guidelines

Purchases obligating university funds should follow guidelines set forth by the Texas **Procurement and Support Services Division (TPASS) Building and Procurement Commission**. If competitive sealed bids are not used, price quotations should be solicited from an adequate number of vendors to ensure competition. Procedures for obtaining price quotations for the obligation of university funds are structured to meet the needs of Midwestern State University. University employees should use the following guidelines at all times. To protect the integrity of the process, all solicitations of quotes shall comply with the following:

1. vendors should not be privileged to quotes from other vendors;
2. vendors should be rotated to ensure competition;
3. justification for any sole source request should be documented on the requisition;
4. the Purchasing Department should be contacted if additional vendors for a particular product or service are needed;
5. purchases should be monitored to determine if separate, sequential, or component purchases might exceed the bid limits;
6. quotes should be submitted with a requisition to the Purchasing Department for vendor selection, processing and ordering;
7. the lowest price should always be accepted, all other factors being equal;
8. orders shall never be placed by the user department unless a purchase order has been obtained through the procedures established in the Purchasing Manual; and

9. contact the Purchasing Department staff with any concerns or questions you may have.

E. University Purchasing Bid Limits

- ~~1. Purchases below \$1,000 – No competitive quotes are required; items that are not restricted under the Procurement Card policy should be purchased using the Procurement Card. Restricted items or purchases from a vendor who will not accept a Credit Card should be submitted to the Purchasing Department on a purchase requisition.~~
- ~~2. Purchases Between \$1,000 and \$2,000 – No competitive quotes are required; a purchase requisition should be processed and sent to the Purchasing Department.~~
- 1. Purchases below \$5000 – Purchases within this range do not require competitive bids. The Purchasing Department has the discretion to seek competitive bids if warranted. Purchase Requisitions should be forwarded to the Purchasing Department. Departments do not have the authority to place orders with vendors on items requested on a purchase requisition. A purchase order will be forwarded to the vendor from the Purchasing Department.**
- 32. Purchases Between \$2,000 and \$10,000 \$5001-24,999.00- Three informal quotes **A minimum of three bids** are required from the Combined Master Bid List (CMBL) with a minimum of two (50% **if possible**) Historically Underutilized Businesses (HUB's); A purchase requisition with a complete description of goods or services, quantity, delivery requirements (including shipping, warranties, maintenance fees, etc.), delivery location and any recommended vendors should be submitted to the Purchasing Department. The Purchasing Department will request price quotations, evaluate bid responses and forward this information to the department for input, make award and issue a purchase order.**
- ~~4. Purchases Over \$10,000 – Three formal quotes are required with a minimum of 50% HUB vendor participation; A purchase requisition with a complete description of goods or services, quantity, delivery requirements (including shipping, warranties, maintenance fees, etc.); delivery location and any recommended vendors should be submitted to the Purchasing Department. The Purchasing Department will request price quotations, evaluate bids and forward this information to the department for input, make award and issue a purchase order.~~
- 53. Purchases Over \$25,000- A formal bid process is required. Specifications of the equipment and/or services should be forwarded to the Purchasing Department. The Purchasing Department will develop a Request for Proposal **or Invitation for Bid**, with input from the department, to be published in the local newspaper, e-mailed to interested parties and posted on the State of Texas (ESBD) website. The average time commitment from posting to bid opening is approximately 21-45 days **4-6 weeks**. Bid proposals will be accepted by the Purchasing Department, **and** evaluated by the requesting**

department, awarded to the successful vendor and a A purchase order will be issued by the Purchasing Department to the vendor awarded the bid.

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Department: PURCHASING

FISCAL REGULATIONS & PROCEDURES

Subject: PURCHASE REQUISITION

The preparation of an electronic Purchase Requisition Form should be accomplished by using the banner finance system. Appropriate backup documentation should accompany the requisition (i.e., quotes, specifications, etc.) inserting the following information:

- ~~1. Date of preparation.~~
- ~~2. Departmental name.~~
- ~~3. Account number from which funds are to be expended for the purchase.~~
- ~~4. Location of the department.~~
- ~~5. A brief statement outlining purpose and/or need as related to the department's operation.~~
- ~~6. Signature by the Budgetary Unit Head.~~
- ~~7. Co-signature by the Senior Administrator.~~
- ~~8. Item number. Each item listed on the requisition should be assigned a number. The numbering acts as an identifier and reference.~~
- ~~9. Description of goods or services should be accomplished as accurately as possible and include various specifics such as: color, size, model, etc. The following questions, if applicable, should be answered:~~

- ~~a. Have I specified a delivery date?~~
- ~~b. Are all legal requirements clearly stated?~~
- ~~c. Have I specified who will pay for shipping cost and the estimated amount?~~
- ~~d. Have I specified a warranty?~~
- ~~e. If the item is to be installed, have I provided complete information on the location and spacing?~~
- ~~f. Have I provided a reasonable specification that sets a minimum standard of quality which I will accept?~~
- ~~g. Have I set forth all absolute physical specifications (maximum sizes, minimum sizes, etc.)?~~
- ~~h. Have I specified special needs for:~~

- ~~(1) Audio or Visual Cable~~
- ~~(2) A.C. Power Cords~~
- ~~(3) Cabinet and Cover Security Devices~~
- ~~(4) Handles where necessary~~
- ~~(5) Required color~~
- ~~(6) Special lenses~~

~~(7) Miscellaneous specifics to the order~~

- ~~10. Quantity of each item: 3 each, 3 feet, 3 pounds, lot, etc.~~
- ~~11. Individual price of each unit.~~
- ~~12. Total sum of Unit Price x Quantity.~~
- ~~13. Grand Total.~~
- ~~14. List available sources where merchandise may be obtained. Remember addresses are not complete unless street numbers or box number and zip codes are fully stated. List the vendor's tax identification number if known. Notify purchasing if the mailing address will be different than the ordering address.~~

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Department: PURCHASING

FISCAL REGULATIONS & PROCEDURES

Subject: DIRECT PURCHASES WITH OTHER THAN STATE APPROPRIATED FUNDS

1. Purchases to be made with funds other than state-appropriated funds will be made following State procedures (competitive bidding and HUB requirements).
2. Purchases of supplies, materials, services and equipment for resale, for auxiliary enterprises, for organized activities relating to instructional departments of institutions of higher learning, and for similar activities of other State agencies, and purchases made from gifts and grants may be made by the University without authority of the Texas **Procurement and Support Services Division** ~~Building and Procurement Commission~~.
3. Local funds are all funds not on deposit in the State Treasury. Requisitions payable from Local Funds are subject to the same requirements as requisitions payable from funds in the State Treasury.

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Department: PURCHASING

FISCAL REGULATIONS & PROCEDURES

Subject: SPECIAL PURCHASES

EXEMPTIONS FROM BIDDING OR PRICE COMPARISONS

The University defines the following additional exemptions from price comparison processes:

- Classified Advertising
- Hotels and Conference Rooms (*see Travel Policy: 3.339 & 3.342 Personnel-TRAVEL; Fiscal Regulations and Procedures Handbook: Business Office 2-15 thru 2-18*)
- Conference Expense; expenses related to conference room services such as audio/visual/network and food services. (*Does not include goods purchased for attendees or transportation services.*)
- Moving Expenses (*employee*)
- Student Travel; expenses related to student travel

- Library materials for Midwestern State University Library, when such exemption represents the best value to the University (*in accordance with Government Code 2155.139*)
- Membership fees and dues
- Newspaper and magazine subscriptions, books, videos and software direct from the publisher only available from a single source
- Freight
- Intra-agency payments
- Rental of exhibit space; i.e., booths for display purposes
- Goods and services provided by the Texas Department of Criminal Justice
- Goods and services provided by the Texas Industry for the Blind and Handicapped
- Internal Repairs (a repair that can-not be reasonably defined prior to the actual repair and the extent to which can-not be determined until the equipment is disassembled)
- Purchases from Federal agencies
- Utilities

The following items require special consideration for proper processing:

Professional and Consultant Contract Services. Professional and Consulting Service rules **do not require nor prohibit** competitive bidding. However, it may be advantageous and may be required in certain circumstances to issue a Request For Proposal. In all cases the availability and capability of HUBs to perform the work should be considered.

REQUIRED PROCESSES BEFORE ANY PROFESSIONAL OR CONSULTANT WORK IS PERFORMED

- The department must determine if the individual should be hired as an independent contractor or as an employee. To help make this determination, refer to the IRS website at www.irs.gov or contact the Personnel Department.

PROFESSIONAL SERVICES

Professional services include but are not necessarily limited to:

accounting – a certified public accountant (CPA);

architecture – an architect;~~professional architect~~

landscape Architecture;

~~land surveyor~~ – **a land surveyor;**

~~guest musicians, artists, entertainers, performers, speakers~~

medicine – **a physician, including a surgeon;** ~~guest speakers~~

optometry – **an optometrist;** ~~guest speakers~~

professional engineering – **a professional engineer;**

real estate appraisal – **a state certified/licensed real estate appraiser; or**

professional nursing – **registered nurse**

Specific rules relate to the selection of an Architect, Engineer or Land Surveyor.

Consult

with the Purchasing Department BEFORE PURSUING A CONTRACT FOR THESE SERVICES.

CONSULTING SERVICES

“Consulting service” means the service of studying or advising a state agency under a contract that does not involve the traditional relationship of employer and employee. “Major consulting services contract” means a consulting services contract for which it is reasonably foreseeable that the value of the contract will exceed \$15,000, or \$25,000 for an institution of higher education other than a public junior college. Consulting services are defined as the service of studying or advising a state agency under a contract that does not involve the traditional relationship of employer and employee. One exception to the idea of ‘studying or advising’ is in relation to computer consulting where the consultant may be designing a database, writing software code, etc. Consulting services valued at \$15,000 or greater over a period of one or more years are required to go through a proposal process involving approval by the Governor’s Office and posting in the Texas Register. Allow at least 3 months for this process.

Proprietary Purchases. Purchase requisitions which are submitted for items to be purchased for a single brand and/or from a single vendor shall include a Sole Product/Sole Source Justification Form, which is available from the Purchasing Department.

Radioactive or Radiation Producing Materials or Equipment. All purchase requisitions for radioactive or radiation producing materials or equipment must be noted on the purchase requisition.

Printing. The Texas Constitution requires that at least 2 bids or price comparisons be obtained for printing when state funds will be used for payment, if \$5,000 or less. The University requires three competitive bids be obtained if the amount exceeds \$5,000.

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Department: PURCHASING

FISCAL REGULATIONS & PROCEDURES

Subject: RESOURCES FOR PURCHASING

TIBH Industries, Inc. (Texas Industries for the Blind and Handicapped)

The University is required to consider purchases from persons with disabilities, represented by Texas Industries for the Blind and Handicapped (TIBH). Purchases from TIBH are considered part of the set-aside program and are not subject to bidding or price comparisons. Items available from TIBH may be viewed and, if within guidelines, purchased with a Procurement Card at www.purchaseplus.com. **TIBH purchases must be considered when using state funds.**

TCI (Texas Correctional Industries) The University is required to consider purchases from the correctional industry, represented by Texas Correctional Industries (TCI). Purchases from TCI are considered part of the set-aside program and are not subject to bidding or price comparisons. Items available from TCI may be viewed and, if within guidelines, purchased with a Procurement Card at <http://www.tei.tdcj.state.tx.us/>. **TCI purchases must be considered when using state funds.**

STATE TERM CONTRACT

The Texas Building & Procurement Commission establishes term contracts by commodity or service codes as a supply source for State agencies. Contracts are based on estimated quantities and may be ordered as needed regardless of funds. Term contract was setup by the State of Texas to offer goods or services to State agencies at a discounted price. There are two basic ways to search term contract for a specific items.

1. If you know the commodity code (a code assigned by the state that identifies an item), go to www.tbpc.state.tx.us/cat_page/. That page will bring up many categories of items that can be purchased from term contract. For example: copy machine rentals are 712, 713, and 714.

2. If you do not know the commodity code, go to www.tbpc.state.tx.us/search/termcontract.html. Type in the item needed and tap search. You will see different categories that might have the item needed. The University may utilize State of Texas Contracts without additional bidding.

TEXAS MULTIPLE AWARD SCHEDULE CONTRACT (TX MAS)

The University may utilize State of Texas Multiple Award Schedule Contracts (TXMAS) without additional bidding. State Contract information is available at http://www.tbpc.state.tx.us/cat_page/txmas_index.html.

DEPARTMENT OF INFORMATION RESOURCES (DIR) CONTRACTS

DIR contracts may be utilized without additional bidding. The most widely used of the DIR contracts is that for software licenses. However, there are many contracts for microcomputer and peripheral hardware, as well as networking and telecommunications equipment and service. The DIR Store may be viewed at <http://www.dir.state.tx.us/busops/index.html>.

GROUP PURCHASING

Group Purchasing allows the University to complete purchases, without bidding, from cooperatives in which Midwestern State University is a member. The University is currently a member of the following cooperatives, which contracts can be viewed at the noted web-sites:

E&I Cooperative, www.eandi.org

Texas Cooperative Purchasing Network (TCPN)—
http://ese4coop.home.texas.net/About_TCPNY2K.htm

U. S. Communities—<http://www.bsd.officedepot.com>

Texas Association of School Board—<http://www.buyboard.com>

UNIVERSITY AND OTHER STATE AGENCY CONTRACTS

The University may purchase from contracts that have been through a solicitation process either by Midwestern State University or another state agency.

OPEN MARKET

The University may choose to submit an Open Market Requisition to the Texas Building and Procurement Commission (TBPC) for issuing an Invitation To Bid to all vendors, within the defined commodity, in the State's Centralized Master Bidders list.

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Department: PURCHASING

FISCAL REGULATIONS & PROCEDURES

Subject: REQUIREMENTS OF PURCHASING

STANDING ORDERS

Most standing orders have been established for departments with a need for frequent purchases of the same item(s). They will not be created for convenience purchasing, and if If the total amount spent over the fiscal year will exceed ~~\$2,000-~~ \$5,000 the appropriate solicitation process must be completed. Individual orders are placed by the end user as needed or by purchasing staff and the invoice forwarded to the Purchasing Department. Standing Orders that are prepared for multi-department use are established yearly by the Purchasing Department through a standing order renewal process. Standing Orders that are used by a single department require the department to submit a requisition annually.

COMPETITIVE BIDDING

Competitive bidding is defined as the process of inviting and obtaining bids from competitive sources. Competitive bidding is considered to be a level of competition at which two or more manufacturers' products will meet the specifications, terms and conditions of the bid. Competitive bidding requires that all requirements be included in the specifications and the best value is typically the low bid meeting specifications. Any considerations other than price must be specifically stated in the bid and must be measured and documented during the evaluation process.

CATALOG REQUEST FOR OFFER

~~Catalog purchases are purchases of automated information system (AIS) products or services; i.e., microcomputers, software, peripherals, service for such, etc. Vendors are selected through a Request For Offer (RFO) process. Brands may be pre-selected based on the ease of use, compatibility issues, training required, etc. Because bidders are prequalified as Qualified Information System Vendors (QISV) by the Texas Building and Procurement Commission (TBPC), bidding is not allowed, but rather price comparison and negotiation is acceptable. Vendors must meet the minimum specifications stated but may offer additional enhancements or innovations, which may be considered when determining best value. In the context of QISV purchases, best value means the lowest overall cost for a purchase or lease of AIS products or services.~~

COMPETITIVE SEALED PROPOSALS

Competitive Sealed Proposals are typically large purchases and are utilized when several options may meet the University's needs or when other considerations may be more important than price. Specifications are typically limited and a Statement of Work details required specifications and the end result desired. Vendors may submit a variety of possibilities to achieve the desired results. Factors to be used in evaluating the proposals are often included in the RFP.

INTERAGENCY AND INTERLOCAL AGREEMENTS

The purchase of goods or services from another state agency is handled as an Interagency Agreement, and is allowed so long as neither agency exceeds its duties and responsibilities or the limitation of its appropriated funds. The purchase of goods or services from a political subdivision such as a city or county government, school district, or junior or community college is handled as in Interlocal Agreement, and is allowed so long as neither agency exceeds its duties and responsibilities or the limitation of its appropriated funds.

EMERGENCY PURCHASES

An emergency purchase is defined as the purchase of goods or services that are so badly needed that the agency will suffer financial or operational damage if they are not secured immediately. ~~An emergency is not a department's failure to follow through with paperwork, but is defined by the answers to the following questions:~~

- a. ~~What is the emergency and/or what caused the emergency?~~
 - b. ~~What financial or operational damage will occur if needs are not satisfied immediately?~~
 - c. ~~Why could the needs not be anticipated so that proper procedures could be followed?~~
- If these questions cannot be adequately answered, the purchase cannot be handled as an emergency and will be subject to Best Value Procurement rules.

~~Call the Purchasing Department for assistance on an emergency purchase. The State encourages written bids on emergency purchases whenever feasible. The decision to declare an emergency purchase is the sole responsibility of the agency.~~

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Department: PURCHASING

FISCAL REGULATIONS & PROCEDURES

Subject: EQUIPMENT OFFERED AS TRADE-IN

If a department requests the purchase of new equipment and also offers a trade-in of old equipment of the same or a similar type, the used equipment must be fully described as to age, condition, make, model and serial number, if available. The department should also give the Purchasing Department its most realistic estimate of the value of the used equipment and the possibility of salvage for further or other uses. The Purchasing Department will also consult with the University's Property Manager to ascertain property values. Bids involving trade-in equipment will be received subject to acceptance or rejection; this condition will be so stated in bid invitations, e.g.: "Trade-in at State's Option – to be picked up by the contractor where is and as is."

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Department: PURCHASING

FISCAL REGULATIONS & PROCEDURES

Subject: PURCHASE ORDERS

~~Confirmation Purchases—Confirmation purchases are purchases made before a written purchase order issued by the Purchasing Department is received by the vendor. The University is not legally obligated until the Purchasing Department has authorized the purchase order and any individual making a purchase without proper authority is assuming a personal obligation to the vendor for which he/she may be held personally liable.~~

Cancellations and/or Changes on Order – All cancellations, changes, etc., on an order after it has been issued to a vendor must be handled by the Purchasing Department/Contract Administrator. Approval by the vendor and the Texas Building and Procurement Commission is required on all State open market orders and contract orders (these specifically require the paperwork to be processed via the TBPC). The Purchasing Department will handle correspondence pertaining to all orders.

Emergency Orders— Call the Purchasing Department for assistance on an emergency purchase. The State encourages written bids on emergency purchases whenever feasible. The decision to declare an emergency purchase is the sole responsibility of the agency. **An emergency is not a department's failure to follow through with paperwork, but is defined by the answers to the following questions:**

- a. ~~What is the emergency and/or what caused the emergency?~~
- b. ~~What financial or operational damage will occur if needs are not satisfied immediately?~~
- c. ~~Why could the needs not be anticipated so that proper procedures could be followed? If these questions cannot be adequately answered, the purchase cannot be handled as an emergency and will be subject to Best Value Procurement rules.~~

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Department: PURCHASING

FISCAL REGULATIONS & PROCEDURES

Subject: RECEIVING

Noting the date the product was received and the signature of the person accepting responsibility of the product is extremely important. The notation may be made on the purchase requisition, on the invoice paperwork or the actual shipping/delivery form. By signing and dating the employee is acknowledging receipt of the goods and authorizes the payment process to begin. The Prompt Payment Law requires that payment be made to a vendor for goods or services on the 30th day after the later of:

- **the date you receive the goods;**
- the date the services are completed; or
- the date you receive an invoice for the goods or services.

By signing and dating the receiving documentation the employee is stating that the goods were received in good condition or the services were rendered satisfactorily. The receiving documentation can also be used to note that the goods or services were received, but document unacceptable condition.

All documentation reflecting the receipt of goods or services must be submitted to the Purchasing Department to complete the payment process.

Number: ~~5-15~~ **5-14**

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Department: PURCHASING

FISCAL REGULATIONS & PROCEDURES

Subject: HISTORICALLY UNDERUTILIZED BUSINESSES PROGRAM

Historically Underutilized Businesses (HUBs) – it is the policy of Midwestern State University to involve qualified HUB businesses to the greatest extent feasible in: purchases of goods, construction contracting, professional services, lease or rental of all supplies, materials, services, and equipment. A certified HUB business is a Corporation, Sole Proprietorship, Partnership, or Joint Venture in which at least 51% of the business is owned, operated, and actively controlled and managed by a minority or woman. HUB vendors are defined as Texas businesses that are at least 51% owned, operated and controlled by United States citizens, born or naturalized and members of qualifying groups which include Asian Pacific Americans, Black Americans, Hispanic Americans, Native Americans and American Women.

A HUB business must be registered with the State of Texas for the university to get credit for the purchase of goods and services. Midwestern State University and its contractors and subcontractors shall not discriminate on the basis of race, color, religion, national origin, sex, disability, political belief, or affiliation in the award of contracts. For further information concerning HUB certification or involving HUB businesses in the purchase of goods and services, contact the HUB Coordinator (Director of Purchasing).

All state agencies and institutions of higher education are required to make a good faith effort to INCREASE business with HUBs. **This good faith effort applies to ALL FUNDS and ALL DOLLAR AMOUNTS, including amounts that do not require bidding.** The University reports semi-annually and annually total expenditures from which the State prepares a report showing the percentage of expenditures made with State of Texas Certified HUBs. A comparison of annual percentages is reported each year in the annual financial report and each biennium in the legislative appropriations request. This information is scrutinized closely by legislators.

Departments must attempt to use HUBs when placing orders under delegated authority.

HUB SUBCONTRACTING PLANS are a requirement of ALL solicitations that are expected to be \$100,000 or greater. Inclusion of a HUB Subcontracting Plan requires Midwestern State University to investigate subcontracting opportunities before the solicitation is issued. The opportunity, or lack thereof, of subcontracting opportunities must be stated in the solicitation. If subcontracting opportunities are identified, a list of potential HUB subcontractors must be included in the solicitation document. The respondent's HUB Subcontracting Plan **MUST BE RETURNED** with the bid or proposal response in order for the response to be given consideration. Failure to return the HUB Subcontracting Plan automatically disqualifies the bid, offer, or proposal. In addition, the HUB Coordinator

reviews each HUB Subcontracting Plan. If the HUB Coordinator determines that the respondent did not make a good faith effort to do business with HUBs, the bid, offer, or proposal may be rejected from further consideration.

HUB AUDITS have been developed by the State Auditor's Office to determine if agencies are making a good faith effort to identify and do business with HUBs. If Midwestern State University is determined to be non-compliant, this will be reported to the Legislative Budget Board, and the university will be required to work under the assistance of the TPASS ~~TBPC~~ to document a good faith effort.

Number: ~~5-16~~ **5-15**

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Department: PURCHASING

FISCAL REGULATIONS & PROCEDURES

Subject: GAS CYLINDER MANAGEMENT

Departments utilizing compressed gas cylinders such as Acetylene, Oxygen, Helium, Argon, etc., are reminded that these cylinders are to be picked up by the delivery company. The department is to keep accurate records of pickup and delivery of these items so that additional costs are not incurred.

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Department: PURCHASING

FISCAL REGULATIONS & PROCEDURES

Subject: PROMPT PAYMENT

Prompt Payment Requirements

The following information is taken from the Prompt Payment law that is currently in effect. Invoice payments are due by the 30th calendar day after the latest of the following:

- The day the agency received the goods;
- The day the vendor completed performing its services for the agency; or
- The day the agency received the invoice for the goods or services.

The Comptroller's Office and the university automatically computes and pays interest owed to vendors for late payments.

If Accounts Payable does not mail or electronically transmit a payment to a vendor or the vendor's financial institution by the applicable due date, the agency is liable to the vendor for interest, in compliance with the following provisions:

- Beginning on the day after the payment is due, interest* accrues on the unpaid balance at the rate of 1.0% per month. The interest ceases to accrue on the date the

state agency mails or electronically transmits the payment to the vendor or the vendor's financial institution.

It is imperative that invoices received by departments are processed immediately for payment. It is also imperative that the Purchasing Department receives notification from your office of receipt of goods and/or services.

**Interest will automatically be included to the vendor for all payments. This applies to state and local accounts. Interest will be charged to the account that paid the principal.*

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Department: PURCHASING

FISCAL REGULATIONS & PROCEDURES

Subject: SOLE SOURCE VS PROPRIETARY JUSTIFICATION

The purchase of goods and service that are considered sole source must be accompanied by documentation. To determine the difference between sole source and proprietary apply the following definition:

1. If a purchase request describes a product via brand name, such as Sony or Pioneer, then the product is **not** sole source.
2. If a purchase request describes a product that is unique to one vendor, is a restricted purchase or over department purchasing delegation, and does not permit an equivalent product to be supplied, then the product is sole source. The Purchasing Department requires the requesting department to justify in writing the specifications or conditions. The written justification must include: the need for the product; reason(s) competing products are not satisfactory; and provide other information necessary for approval.

When a product is sole source, the following procedure is to be followed:

1. Determine type of funds being used.
2. Complete a sole source justification form.
3. Submit Purchase Requisition to the Purchasing Department with sole source justification form attached.
4. The purpose for the form is to provide an audit trail.

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Department: PURCHASING

FISCAL REGULATIONS & PROCEDURES

Subject: PROCUREMENT CARD PROGRAM

Orders for supplies and small items in amounts not exceeding the cardholder's established credit limits \$1,000 may be purchased using a University Procurement Card. The terms and conditions of the MasterCard Procurement Card contract were specified and awarded by the Texas Procurement and Support Services Division (TPASS) ~~Building & Procurement Commission~~ for the State of Texas. In addition to internal policies and procedures, Midwestern State University will comply with the terms and conditions of the state contract.

Responsibilities

The Procurement Card will be issued in the name of the employee with the State of Texas emblem and the wording '**Official Use Only**' clearly indicated on the card. The Procurement Card is to be used for official University business purposes only and may not be used for ANY personal transactions. The employee is responsible and accountable for the security and documentation associated with the use of the Midwestern State University Procurement Card. Documentation shall include maintaining a Transaction Log and providing Transaction Detail information for each transaction. The individual is responsible for keeping documentation of all transactions including returns, credits and disputed charges. Supervisors are responsible for: 1) designating departmental cardholders; 2) determining spending limits; 3) incorporating projected yearly expenditure amounts designated for credit card charges into their budget; and 4) approving monthly reconciliations of procurement cardholder statements and supporting documentation to ensure purchases are within Midwestern State University policies and procedures and departmental budgets. Supervisors should be sure that all employees issued a card understand the departmental budget constraints under which they are to use the card.

The Purchasing Department is responsible for maintaining complete and accurate information regarding Procurement Card users and associated credit limits, for notifying supervisors when a current cardholder changes employment from one University department to another, for establishing and updating restricted Merchant Category Codes, and for determining compliance with University policies and procedures through periodic audits.

Card Use By Another Employee

The only person authorized to use the Procurement Card is the cardholder whose name appears on the card.

Training and Issuing Cards

All requests for new accounts must be approved at the Vice President or Provost level. Supervisors should notify the Purchasing Department to request a Cardholder Application/Approval Form. The form is to be completed by the Supervisor ~~along with a letter justifying the need for the new account~~ and forwarded to the Vice President or Provost for approval. The Vice President or Provost has the authority to approve/disapprove a new account. Both documents must be submitted to the Purchasing Department reflecting proper signature authority prior to a new account being created. When all appropriate paperwork has been submitted to the Purchasing Department the documentation will be submitted to the bank ~~Bank One~~ and a credit card will be issued by the company. The employee requesting

the card will be notified by the Purchasing Department within 10-14 working days to pick up the card from the Purchasing Department. All employees will be required to attend training and sign a Cardholder Agreement and Training Completion form before being issued a card.

Making A Purchase with the Procurement Card

Refer to the Purchasing Manual – Procurement Card Program Guide for detailed information related to making a purchase with the Procurement Card. A list of Restricted Items is included in the Guide for the employee's information. No charges may be made using the Procurement Card that will be charged against HEAF fund (8-811XX) accounts. All charges against HEAF accounts must be processed through the standard purchase requisition process. The Procurement Card is to be used for official University business purposes only and may not be used for any personal transactions. Gift cards may be authorized for purchase when used to promote the University and/or student activities. Approval must be granted at the Vice President or Provost level prior to the purchase. Gift cards may be purchased using the Procurement Card and/or purchase requisition and may only be charged against 4-xxxxx accounts. Documentation supporting the reason for the purchase and who received the card must be available for auditing purposes.

Transaction Log, Monthly Statement, Reconciliation and Approval

The Transaction Log is required and provides an audit trail for expenditures made with the Procurement Card. Each individual purchase must be recorded on the Transaction Log. (see the Procurement Card Program Guide for detailed instructions on completing the Transaction Log). Upon receipt of the monthly statement from the credit card vendor, the cardholder shall reconcile the statement with the Transaction Log and forward the reconciled statement, Transaction Log and all supporting documentation to the employee's supervisor for signature. The finalized packet will then be submitted to the Purchasing Department for processing and reconciliation. Arrangements should be made when people will be out of the office; e.g. vacation, sick leave, jury duty, etc., so that the appropriate information is transmitted to the Purchasing Department in a timely manner.

The supervisor of the cardholder is responsible for verifying that all purchases are appropriate expenditures and should take necessary disciplinary action with employees making inappropriate expenditures.

The documentation identified in the Procurement Card Program Guide must be kept for three (3) years plus the current fiscal year to comply with the University's Records Retention Schedule. These are official University records. The records for Procurement Card purchases will be required for periodic audits by the **Procurement and Support Services Division** Texas Building and Procurement Commission, the State Auditor or the MSU Internal Auditor.

Card Termination

1. **NON-USE** – If it is found that a cardholder has not used the Procurement Card for six consecutive months, this card may be terminated at the discretion of the Purchasing Department. Any cards so deactivated may be reactivated with the submission of an Application/Approval Form and a Cardholder Agreement form. The individual will be required to attend training again before the card will be reactivated.
2. **TERMINATION OF UNIVERSITY EMPLOYMENT** – When a cardholder terminates employment with the University, the department has specific obligation to reclaim the Procurement Card and return it to the Purchasing Department prior to the employee's termination date. Failure to do so may result in the department being responsible for payment of any fraudulent charges. Verification of card return will be part of an employee's exit interview with the Personnel Office. Fraudulent charges will be reported to the University Police Department and the terminated employee will be expected to reimburse the University. The cardholder will also be required to reconcile any outstanding statements along with purchases that have not yet been submitted to the Purchasing Department prior to leaving employment with the University.
3. **INSUFFICIENT BUDGET** – Departments must review accounts on a periodic basis to guarantee funds are available for Procurement Card expenditures.
4. **FAILURE TO PASS AUDIT** – The Purchasing Department will audit transactions on a monthly basis. The Purchasing Department will work closely with cardholders who fail to produce the required documentation. The cardholder will be notified three times via email/ phone to provide substantiation for charges. Supervisors will be notified if the cardholder is not forthcoming in a timely manner with required documentation to support charges. Repeated failures to produce the required documentation may result in the card being terminated at the Purchasing Department's discretion.
5. **CARD USE BY ANOTHER EMPLOYEE** – Allowing someone else to use a card belonging to another employee is not an acceptable practice and is not considered an authorized purchase.
6. **VIOLATION OF PURCHASING PROCEDURES** – If the cardholder violates any Procurement Card Purchasing Procedure outlined in the Program Guide, the Purchasing Department may provide one on one instruction or the card may be deactivated. If the violation appears fraudulent or abusive, the cardholder may be subject to personal liability and/or disciplinary action, which may include termination of employment or possible criminal penalties.
7. **FAILURE TO PROMPTLY REPORT A LOST OR STOLEN CARD** – If a cardholder fails to make a report of a lost or stolen card immediately upon discovery, the cardholder may be required to reimburse the University for any fraudulent charges made on the card until it has been cancelled, including a \$50 deductible for fraudulent charges up to \$15,000. Upon the loss of a second card, no additional cards will be issued to the cardholder.
8. **PROCUREMENT MANAGER AUTHORITY** – The President, supervising Vice President, Provost, Dean, Department Head, Director or immediate Supervisor has the authority to request that the Purchasing Department terminate an employee's card at any time for any reason. Any cards so deactivated may be re-issued with appropriate approvals upon submission of an Application/Approval Form and a Cardholder Agreement form. The employee will be required to attend training again before a card will be re-issued.

Source of Authority: Texas Government Code, Title 10, Subtitle D, Chapters 2151 through 2176

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Department: PURCHASING

FISCAL REGULATIONS & PROCEDURES

Subject: WAREHOUSE-CENTRAL RECEIVING

All supplies and equipment purchased for the University are to be delivered through the Purchasing Department – Warehouse (Daniel Building) to ensure uniform handling of freight claims, accurate entry of receiving information, and necessary elements of institutional control. The following purchases are excluded from this requirement.

1. Items being delivered under delegated purchase authority to the Library, Bookstore, or Food Services.
2. Delegated purchases made by departments using local purchase authorizations, procurement cards, or phone purchase orders.
3. Items which require installation by the contractor.
4. Items specifically authorized by the Purchasing Department.
5. Items marked as Toxic and/or Hazardous Materials. These items will be routed to the Warehouse, staff will count the boxes, compare to the receiving report and either direct the delivery company to the department's office to complete the delivery or accept the package(s) and deliver the package(s) themselves. The department will be responsible for opening and inspecting the items. The department will be responsible for notifying the Warehouse staff of any discrepancies or damaged goods. If the department meets one of the five exemptions stated above, it is the responsibility of the department taking receipt of goods or services to immediately submit direct delivery of goods or services documentation, invoices and payment documentation to the Purchasing Department. Timely submittal of receiving information is essential to avoid late payment penalties and to effectively handle freight claims, shortages, or discrepancies.

Other Delivery Services

Upon receipt of merchandise, the Warehouse staff will:

1. Count and examine all cartons for visible damage and note any discrepancies on the Bill of Lading.
2. Deliver all materials (except that requiring inventory tagging, special equipment or manpower for moving) within 24-48 hours to the requisitioning department. 3. Handle the filing of claims with the freight company for any freight damages or shortages.
4. Affix property inventory tags when needed.

Immediately after delivery of the shipment to the requisitioning department, the department will:

1. Check contents of shipment against original purchase order.
2. Notify the Purchasing Department within three working days of any damages or shortages not identified by the Warehouse staff.

When shipments are authorized by the Purchasing Department for delivery directly to the requisitioning department, bypassing the Warehouse, it shall become the responsibility of the department to:

1. Count and examine all cartons for visible damage and note any discrepancies on the Bill of Lading.
2. Check contents of shipment against the original purchase order and submit appropriate documentation to the Purchasing Department for payment.
3. Notify the Purchasing Department within three working days of any damages or shortages.

Failure to promptly notify the Purchasing Department of damages or shortages may result in delays in payment for the goods or services and a liability for late payment penalties. The payment of any such penalties will be made from the account(s) that funded the original purchase.

Outgoing Freight

Outgoing freight should be dispatched through the Warehouse to ensure proper documentation, packing, and labeling. Clear indication of shipment value should always be made on the package or on the accompanying documentation. A special notation should be made when insurance is desired. Departments should contact Warehouse staff for additional instructions or assistance in handling outgoing freight.

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Department: PURCHASING

FISCAL REGULATIONS & PROCEDURES

Subject: Direct Payment Voucher

Reimbursements are made to employees or students for approved purchases made on behalf of the University. Payments are also made to vendors for products and services not processed via a purchase order. Both reimbursements and payments are generated on a **Payment Voucher form**.

1. Payments for the following goods and services are authorized to be paid with University funds; but should **not** be processed with a purchase order. They should be processed in accordance with these procedures.

- a. Registration fees for conferences, seminars and workshops. *(These can be paid for using the University procurement card or through the Payment Voucher form.)*
- b. Umpire/Officials fees for referring sporting events.
- c. Memberships *(These can be paid for using the University procurement card or through the Payment Voucher form.)*
- d. Overnight hotel lodging *(paid on behalf of official University guest).*
- e. Fees for performers and entertainers.
- f. Business meal reimbursements.
- g. Fees for Guest Lecturers.
- h. Subscriptions and Periodicals *(unless a Purchase Order is required – may also be purchased using the University procurement card).*
- i. Filing fees for work to be performed on buildings *(i.e. Texas Department of Health).*
- j. Professional registration/license fees *(excluding software licenses).*
- k. Postmaster-Permit, bulk rate fees and meter charges.
- l. Insurance premiums.
- m. Bus charters *(unless a Purchase Order number is required by the company).*
- n. Publications and audio-video material *(prepared materials only).*
- ~~o. Stipends, Scholarships and Awards.~~
- ~~po. Employee incentives.~~
- ~~qp. Miscellaneous fees and assessments, i.e. accreditation, royalty, copyright and appraisals.~~

2. Requirements on Reimbursements – All reimbursements must be supported by the following:

- a. Original receipt showing date goods or services were received; description and cost of goods or services purchased along with any tax or tip. Sales tax will not be reimbursed for any purchases of tangible goods. A Texas Sales and Use Tax Exemption Certificate must be presented to the vendor at point of sale.
- b. A list of all participants is required for all meal and entertainment reimbursements. The receipt must be signed by the individual receiving reimbursement or by a department official when purchase is made directly from a vendor.
- c. An individual receiving reimbursement or payment may not approve his/her own payment voucher form. Individuals receiving reimbursement or payment must forward the payment voucher form to their supervisor for approval.
- d. Tips are normally reimbursable up to 15% of total purchase, however, actual will be reimbursed, if reasonable, and supported by appropriate documentation.

3. Requirements on payments to vendors – The following information must be provided:

- a. Invoice showing name of company, address for remittance, description and cost of goods or services, shipping charges (actual or estimated) and amount due.

Shipping and receiving documentation must be submitted reflecting acceptance by the University of the goods or service.

I. Overview

A. Introduction

The Procurement Card Program offers, to all Midwestern State University departments, a simplified way in which employees may purchase and pay for goods. The Procurement Card program is a fast, flexible method for processing small purchases from suppliers that accept MasterCard.

The purpose of the Procurement Card Program is to establish a more efficient, cost-effective method for purchasing and paying for small orders currently processed on Purchase Requisitions, and to delegate the authority and capability to make these purchases to the end-user. This program is intended to complement the existing processes available.

The terms and conditions of the Procurement Card contract were specified and awarded by the Texas Comptroller of Public Accounts (TPASS) . In addition to internal policies and procedures, Midwestern State University will comply with the terms and conditions of the state contract in the implementation of this program.

B. Definitions

1. Agency is Midwestern State University. The University arranges with the current card provider to have procurement cards issued to approved University employees. In doing so, the University agrees to accept departmental liability for the employees' use of the cards.

2. Cardholder is a benefits eligible employee, to whom the University assigns a credit card. The Supervisor and the Supervising Vice President/Provost approve the initial request for a procurement card. The Cardholder will maintain the procurement card in a secure location and will carefully guard the card account number. The Cardholder is the only person allowed to use the procurement card.

3. Card Issuer is the bank (currently the vendor is Citibank but this can and may change depending upon the award of the next contract period by the State of Texas).

4. Departmental Approver (Supervisor is responsible for approving purchases, monitoring charges and signing the Transaction Log envelope. The Departmental Approver must be in an organizationally superior position to the departmental Cardholders. The Departmental Approver will appropriately discipline Cardholders that do not adhere to procurement card procedures, in compliance with the University's Fiscal Regulations and Procedures Manual and the Purchasing Manual/Procurement Card Program Guide.

5. Procurement Card is a Master Card credit card issued by the bank (current contracted vendor). At minimum, the procurement card allows the Cardholder to purchase supplies up to the cardholder's single purchase limit. The Cardholder must use the card for official University purchases only. The bank issues the procurement card in the Cardholder's name. The State of Texas seal and the phrases "For Official Use Only" and "Midwestern State University" are clearly indicated on the procurement card. The procurement card is not the same and does not have the same use as the University Travel Card.

6. Procurement Card Administrator is the Purchasing Department staff member who coordinates and manages the Procurement Card Program for the University. The Procurement Card Administrator acts as the University's intermediary with the bank. The Procurement Card Administrator works closely with Cardholders in training, dispute resolution, statement reconciliation, auditing and support issues.

7. Vendor is the merchant from whom a Cardholder makes a purchase. If a vendor does not accept the procurement card, the purchase must be made using the Purchase Requisition process.

8. Receipt/Invoice is an itemized list of goods/services provided to a purchaser from a vendor showing itemized information including vendor name, date of purchase, line item descriptions & prices, quantities and any additional charges & fees (shipping & handling).

II. Approval

A. Cardholder Eligibility

The applicant must be a benefits eligible employee of the University whose immediate supervisor deems a procurement card necessary for the completion of departmental duties.

B. Application Process

1. The applicant's Departmental Approver will request an application from the Procurement Card Administrator. The Departmental Approver will submit the application and justification request for a procurement card to his/her Supervising Vice President/Provost or President. The Vice President/Provost/President will approve/disapprove the request and forward the documentation to the Purchasing Department. If approved, the Procurement Card Administrator will forward the request to the bank.
2. The applicant must attend a training session before he/she receives a procurement card.

3. The applicant must sign a Cardholder Agreement in the presence of the Procurement Card Administrator. This document will be retained in the Purchasing Department for auditing purposes.

III. Accountability

A. Cardholder Liability

The procurement card is a corporate charge card. The Cardholder must use the card according to the procedures stated by the State of Texas and procedures noted in this manual, the Purchasing Manual and University Fiscal Regulations. If the Cardholder violates the stated procedures, the Procurement Card Administrator will notify the Cardholder's supervisor. In the case of habitual or serious violations, the Procurement Card Administrator will notify the Cardholder's Vice President/Provost or President. Violations of the procurement card procedures may result in the suspension/cancellation of the Cardholder's procurement card privileges.

B. Terms and Conditions of Procurement Card Usage

1. The Cardholder must only use the procurement card for University business purposes.
2. The Cardholder must **not** use the procurement card to purchase goods that benefit the Cardholder, a member of the Cardholder's family, an individual with whom the Cardholder is associated, or a business with which the Cardholder is associated.
3. When the bank issues the procurement card the spending limit is set at \$1,000 per single transaction and \$7,500 for total transactions per month. The University may adjust these limits as appropriate based upon departmental needs but only with the approval of the supervising Vice President/Provost.
4. The Cardholder must not split a purchase to circumvent the established limitations.
5. The Cardholder must not use another Cardholder's card to circumvent his/her assigned purchase limit.
6. Only the approved Cardholder may use their procurement card. **The University strictly prohibits anyone other than the approved Cardholder to use the procurement card.** The procurement card is not transferable between Cardholders.
7. The Cardholder may not use the procurement card for personal or unauthorized purchases.

8. The Cardholder may not use the procurement card to purchase alcoholic beverages or any substance, material, or service that violates any policy, law, or regulation pertaining to the University.

9. The Cardholder may not use the procurement card for cash advances, travel expenses, hotels, firearms, entertainment, transportation, capital equipment, florist, consulting services and Meals/Restaurants,

10. The Cardholder must provide adequate documentation for each procurement card transaction, including, but not limited to, receipts, invoices, packing slips, confirmation e-mails, etc., on a monthly basis to the Purchasing Department. While the documentation is in the Cardholder's possession, he/she must provide this information upon request to any one or all of the following persons: the Departmental Approver, the Procurement Card Administrator, the supervising Vice President/Provost, the University's Internal Auditor, or any other person designated by the President.

11. The Cardholder will abide by any other rules or regulations established by the Departmental Approver or Supervising VP/Provost or President relating to the use of the procurement card, provided such rules or regulations do not violate or circumvent the University policies and procedures, state, or federal law.

12. The Cardholder must sign a Cardholder Agreement whereby the Cardholder acknowledges that violations of state laws and procedures noted in this manual, the Purchasing Manual and/or University Fiscal Regulations may result in cancellation of procurement card privileges and/or disciplinary action in accordance with the University's policies and procedures. Additionally, the Cardholder agrees, if they make inappropriate, personal, or unauthorized purchases with the procurement card, they will reimburse Midwestern State University within a 48 hour time period for all costs associated with those purchase(s), unless the Cardholder's Departmental Approver, in consultation with the Vice President/Provost or President, determines that other action is appropriate.

C. Unauthorized Purchases

1. An unauthorized purchase includes, but is not limited to, the following:
 - a. items purchased for personal use
 - b. purchases exceeding established credit limits
 - c. large dollar purchases that are broken down to circumvent established credit limits
 - d. large dollar purchases split over multiple cardholder cards
 - e. cash advances
 - f. purchases of Capital Equipment

g. purchases of state defined controlled assets to include the following items when their value exceeds \$500 (must be purchased using the Purchase Requisition Process):

- 1.) Desktop CPU, Laptops, Tablets & Printers
- 2.) Cameras, Digital Cameras
- 3.) Stereo Equipment
- 4.) Video Recorders (Camcorders, TV/VCR/DVD Combos)
- 5.) Television Set
- 6.) Data Projectors

h. firearms

i. ammunition

j. entertainment expenses (to include event tickets)

k. transportation expenses

l. travel expenses (to include, but not limited to lodging, airline tickets, fuel)

m. alcoholic beverages

n. purchases debited from HEAF accounts

o. food purchases

p. donations paid using the procurement card

q. flowers (to include gift baskets and/or items used to construct a gift basket)

r. consulting services

s. transfer of funds to an individual using a third party payment system

t. insurance of any kind

u. services that require vendors perform work on campus. These purchases should be processed using the purchase requisition process to ensure vendors are properly insured to work on campus

v. purchases of goods or services from another University employee

w. purchases that require a signed contract (see MSU Policy & Procedures Manual 2.24 Approval and Execution of University Contracts.

2. Unauthorized use includes, but is not limited to the following:

a. The Cardholder allows another individual to use his/her card.

b. The Cardholder uses another Cardholder's card to circumvent the assigned credit limits.

c. The cardholder splits a purchase that could otherwise be purchased or ordered at one time in order to circumvent established credit limits.

d. The cardholder pays for goods purchased using a Purchase Order.

e. Other than "Business Only" purchases.

3. When a purchase is determined to be unauthorized:

a. The Cardholder who made the unauthorized purchase will send an e-mail of explanation to the Procurement Card Administrator (copying their supervisor) stating the facts and circumstances surrounding the purchase of the item(s) and what corrective actions the Cardholder is taking to prevent this from happening again.

b. If the Cardholder's Departmental Approver and the Procurement Card Administrator verify the purchase is **appropriate**:

(1) and the University has paid the charge, no restitution will be required, or

(2) If the University has not paid the charge, it will proceed with payment.

c. If the Cardholder's Departmental Approver and the Procurement Card Administrator verify the purchase is **inappropriate**, then:

(1) If possible, the Cardholder will return the goods, or

(2) If the Cardholder cannot return the goods, then the Cardholder will be liable to the University, within 48 hours of the decision, for the cost of the goods purchased.

(3) In the event that the Cardholder makes a personal purchase in error using the procurement card he/she must send an e-mail of explanation to the Procurement Card Administrator (copying their supervisor). The Cardholder will state the facts and circumstances surrounding the erroneous purchase. The Cardholder will contact the vendor and request that the vendor issue a credit to the Cardholder's procurement card and charge the purchase to the Cardholder's personal credit card. If this process is not possible, the Cardholder will promptly reimburse the University (within 48 hours) of the purchase and submit the receipts reflecting the reimbursement to the Purchasing Department. Subsequent personal purchases made on the procurement card will result in the immediate suspension/cancellation of the cardholder's privileges.

4. Restricted Purchases

Gift cards/certificates must adhere to the following requirements.

- a.) Approval must be obtained prior to making the purchase.
- b.) Approval must come from the cardholder's supervising Vice President/Provost.
- c.) This approval must accompany receipts/invoices when submitted the Procurement Card Transaction Log along with documentation noting the purpose of the gift card and the individual receiving the card/certificate.
- d.) Information Technology purchases must receive Information System's approval prior to making the purchase. This approval may accompany receipts/invoices when submitting the Procurement Card Transaction Log.

D. Audit Assistance

The Procurement Card Administrator will assist the University's Internal Auditor, the Comptroller of Public Accounts and State Auditor's Office external auditors, and other appropriate agencies in periodic audits of the Cardholder's compliance with the procurement card procedures.

IV. Transactions

A. Summary

The procurement card works like a personal credit card, except the University pays all charges. The Cardholder will use the card for University business only.

B. Completing a Procurement Card Transaction

1. Before making a purchase with the procurement card, the Cardholder must determine the intended purchase is within spending and vendor guidelines, as outlined in this manual, MSU's Purchasing Policy & Procedures and Fiscal Regulations
2. Texas Administrative Code § 5.57 (g) (6) prohibits a state agency from using a payment card for a purchase from a vendor if a payment to the vendor is prohibited by warrant hold status. Cardholders are required to verify a vendor's hold status for payments over \$500. Verification must be administered prior to making the purchase,

but no earlier than 7 days prior to the purchase. Verification can be done by conducting a "Vendor Hold Search" on the State of Texas Comptroller's website or contacting the Purchasing Office. Documentation must be submitted with your Transaction Log to support verification (print verification page).

3. When the Cardholder makes a purchase, he/she must obtain an original itemized sales receipt or invoice. If the Cardholder is making a purchase on the internet, he/she will be sure to print a copy of the on-line order/invoice.

4. The Cardholder must obtain appropriate documentation for all of his/her procurement card transactions. Proper documentation includes receipts, invoices and packing slips. Credit card slips and confirmation e-mails can be submitted as supporting documentation but do not substitute for itemized receipts/invoices.

5. This documentation will be submitted monthly to the Purchasing Department. It is also important the Cardholder documents the receipt of the goods he/she has purchased. The Cardholder can document receiving as follows:

a. If a packing list accompanies the shipment, the Cardholder will note on the packing list the date the department received the shipment and initial next to the date. Include the packing slip in the documentation attached to the monthly billing statement. **Note: The Packing List is not a substitute for a receipt.**

b. If a packing list does not accompany the shipment, the cardholder will document the date received on the receipt/invoice submitted.

6. If the Cardholder has lost/missing receipts he/she must attempt to obtain a replacement receipt from the vendor. If a replacement receipt cannot be obtained, the cardholder must contact the Program Administrator to obtain a copy of the "Missing Receipt Form". This form must be completed by the cardholder and approved and signed by the cardholder's approver. Abuse of the "Missing Receipt Form" may result in the suspension/cancellation of cardholder procurement card privileges..

7. It is the Cardholders responsibility to make sure the vendor is aware the University is exempt from state sales tax. If sales tax is charged to a purchase in error, it is the Cardholders responsibility to work with the vendor to get the sales tax refunded. Contact the vendor to credit the sales tax back to your procurement card. A copy of the

Sales Tax Exemption Certificate is available online in the Forms Library of the MSU Website.

C. Decline of Purchase at POS

If a purchase is declined at the Point of Sale (POS), please contact the Program Administrator regarding the nature of the decline and to obtain additional instructions.

D. Credits and Returns

Purchases made on the procurement card that require a credit/return must go back on the procurement card. **Cardholders must not accept cash, in-store credit or gift cards in the amount of the return/credit.**

E. Disputes & Billing Errors

The Cardholder will attempt to resolve any disputes or billing errors directly with the vendor. In most cases, the vendor will issue a credit to the procurement card account. If the Cardholder cannot reach an agreement with the vendor, he/she should contact Bank the bank using the customer service phone number on the back of the procurement card. Nearly all issues can be resolved using this process. If the Cardholder is unable to resolve the dispute, he/she will contact the Procurement Card Administrator for assistance. The Cardholder will e-mail the Departmental Approver and the Procurement Card Administrator with a situation update no later than 30 days after the first notice of a dispute or discrepancy. The University will charge the total amount billed by the bank to the individual departmental accounts. Additionally, the University will post credits for disputed transactions that appear on the bank's billing statement to the individual departmental accounts.

F. Blocked Vendors

The State of Texas requires the bank to block certain categories of vendors from procurement card use. The bank blocks these transactions at the point-of-sale. If a Cardholder needs to purchase from a blocked vendor, he/she must contact the Procurement Card Administrator. The Procurement Card Administrator will review the transaction and determine if it meets the requirements for an authorized purchase.

G. Spending Limits

Cardholder may not break down a large purchase that could otherwise be purchased or ordered at one time in order to circumvent established credit limits. If a Cardholder believes the University should increase his/her spending limits, he/she must obtain their Departmental Approver's approval along with the approval from their supervising Vice President/Provost. If

the request is approved, an e-mail approving the increased spending limits should be submitted to the Procurement Card Administrator. The Procurement Card Administrator will respond to the Departmental Approver's request via e-mail or phone within 48 hours.

V. Cancellation

A. Lost, Misplaced, or Stolen Procurement Cards

The Cardholder must report any lost or stolen procurement card immediately to Citibank at 1-800-248-4553. Citibank representatives are available to assist the Cardholder 24 hours a day, 365 days a year. The Cardholder must notify the University Procurement Card Administrator about the lost or stolen card at the first opportunity during normal business hours. Failure to report a lost or stolen card immediately will result in the cancellation of the cardholder's procurement card privileges.

B. Cancellation of Procurement Cards:

1. In the event that the University places a procurement Cardholder on disciplinary or investigatory leave, the Departmental Approver should temporarily cancel the Cardholder's procurement card. This is done by notifying the Procurement Card Administrator of the request. If the employee returns to work, his/her Departmental Approver can, at his/her discretion, reactivate the returning employee's card.
2. **The Cardholder must return the procurement card to his/her Departmental supervisor within two working days.**
3. The Departmental supervisor must return all cancelled procurement cards to the Procurement Card Administrator within a timely manner.
4. Cardholders with suspended or cancelled cards are still required to assist the University in its audit requirements by submitting all receipts/invoices and Transaction Logs in a timely manner.

C. Circumstances for Cancellation

1. The University Procurement Card Administrator is **required** to cancel a procurement card if a Cardholder:
 - a. moves to a new job in which a procurement card is not required,

b. terminates University employment. Cardholders leaving University employment should stop using their card immediately. Cardholder's will not be out-processed through the Purchasing Department until their card and any outstanding purchases, envelopes and/or receipts have been turned into the Program Administrator. This includes any unresolved issues.

2. The Procurement Card Administrator may **suspend/cancel** a procurement card with the knowledge of the Departmental Approver and Purchasing Director for any of the following reasons:

- a. the Cardholder uses the card for personal or unauthorized purposes,
- b. the Cardholder uses the card to purchase alcoholic beverages or any substance, material, or service that violates any policy, law or regulation pertaining to the University,
- c. the Cardholder fails to provide the Procurement Card Administrator with required documentation, within the time period specified, by the Purchasing Department,
- d. the Cardholder fails to provide, when requested, information about any specific purchase,
- e. the Cardholder does not adhere to the procurement card procedures,
- f. the Cardholder fails the audits performed by the Procurement Card Administrator. The Departmental Approver or Vice President/Provost deems it necessary.

3. The Procurement Card Administrator **will immediately suspend/cancel** a procurement card with the knowledge of the Departmental Approver and Purchasing Director for the following reasons:

- a. the Cardholder splits purchases to circumvent the established limitations.
- b. the Cardholder uses another Cardholder's card to circumvent the purchase limit assigned to the Cardholder.

3. Cardholders with suspended cards can have their procurement card privileges reinstated when the following conditions are met:

- a. the procurement card has been suspended for a period of no less than 30 days

- b. and, the cardholders attends a mandatory refresher training
 - c. and the cardholder has reconciled the issue that led to the suspension
 - d. and the cardholder submits a letter to their Supervisor and Program Administrator explaining the suspension and their plan to avoid additional issues in the future.
4. Cardholders that commit violations that would lead to a second suspension will have their procurement card privileges cancelled immediately.
 5. Cards cancelled for violation of any policy & procedures are not subject to reinstatement or reactivation.

VI. Monthly Statement Reconciliation

A. Cardholder

1. Each month the Cardholder will receive a billing statement from the bank.
2. The Cardholder will match his/her receipts and other documentation he/she has collected for the listed purchases or credits on the bank statement.
3. If the Cardholder is unable to provide proper documentation for a transaction or transactions by the Purchasing Department's deadline, the Cardholder must contact the Procurement Card Administrator, explaining why the documentation is missing.
4. If there is a disputed transaction, the Cardholder should notify the Procurement Card Administrator.
5. When the Cardholder has gathered the receipts other documentation, and bank statement, he/she will attach them together, enclose them in and make the appropriate notations on the outside of the Transaction Log Envelope. The Cardholder will then give the Transaction Log Envelope to the Departmental Approver for review and signature. It is recommended the Cardholder keep copies of all receipts and documentation before submitting their envelope to the Purchasing Department.

B. Departmental Approver

1. When the Departmental Approver receives the Transaction Log Envelope, he/she will review the cover information as well as the enclosed documentation. The Departmental Approver will not only verify that all of the necessary documentation is present, but he/she will also verify that the Cardholder made each purchase in compliance with the

University's procurement card procedures. If the Departmental Approver agrees that all of the necessary documentation is present, and that all purchases are appropriate and in compliance, then he/she will sign the Transaction Log. **The Departmental Approver's signature on the Transaction Log Envelope represents that the Departmental Approver has reviewed and approved all items purchased with that Cardholder's procurement card.**

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2. The Departmental Approver may temporarily designate someone else to review and approve departmental procurement card documentation in their absence. The Procurement Card Administrator must be notified of the temporary authority.

C. University Procurement Card Administrator

1. Each month, the Purchasing Department will receive a bank statement reflecting all transactions made by all Cardholders. The Procurement Card Administrator will process the statement for payment.

2. The Procurement Card Administrator will process of auditing Transaction Logs and designating charges by account code and FOAPAL.

3. The Procurement Card Administrator works closely with Cardholders to ensure transaction logs are complete and any inconsistencies are addressed.

4. The Procurement Card Administrator completes the audit of the Transaction Logs and inputs the data into a database system. The Procurement Card Administrator will assign an account codes and FOAPALS accordingly.

5. The Procurement Card Administrator then downloads the completed file from the bank, edits the report and prepares the upload file into the Banner Finance System. This process allows expenditures to be charged against the appropriate University fund and reimburses the origination account for payment of the monthly statement to the bank.

D. Vice Presidents

The supervising Vice Presidents/Provost will ensure that Departmental Approvers and Cardholders, within their divisions, comply with procurement card policies and procedures by taking the following actions:

1. The supervising Vice Presidents/Provosts will promptly respond to any communication from the Purchasing Department regarding a violation of procurement card procedures.

2. The supervising Vice Presidents/Provosts will ensure that Departmental Approvers promptly and appropriately discipline Cardholders in their divisions who do not adhere to procurement card procedures. Additionally, supervising Vice Presidents/Provosts will ensure compliance of their Departmental Approvers when managing Cardholders under their supervision.

VII. Miscellaneous

A. Procurement Card Program Guide Updates

The Procurement Card Administrator and Director of Purchasing are responsible for maintaining and updating the Procurement Card Program Guide. The Procurement Card Administrator will ensure that the most current version of the Procurement Card Program Guide is available to all employees via an appropriate electronic format. The Procurement Card Administrator will send an "all subscribers" e-mail whenever updates are made to the Procurement Card program Guide.

B. Records Storage

The Purchasing Department will store all procurement card documentation in accordance with state and federal regulations. In order to facilitate internal and external audit and review, the records will be stored in chronological order by month and then by year. The Procurement Card Administrator will also produce a summary spreadsheet each month that will be stored with the procurement card documentation indicating individual monthly activity.

C. Training

1. The Procurement Card Administrator will ensure all new procurement Cardholders attend training before they begin using their University procurement card. The Cardholder must sign a Procurement Card Training Acknowledgement Form when he/she has completed training. This document will be retained in the Purchasing Department for audit purposes.

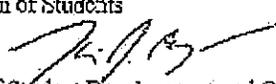
2. The Procurement Card Administrator will provide updated training to all Cardholders and Departmental Approvers as necessary.



Midwestern State University

OFFICE OF STUDENT DEVELOPMENT AND ORIENTATION
(940) 397-4500

TO: Dr. Keith Lamb, Vice President for Student Affairs & Enrollment Management
Mr. Deil Neely, Dean of Students

FROM: Kevin J. Bazner 
Assistant Director of Student Development and Orientation

DATE: October 4, 2012

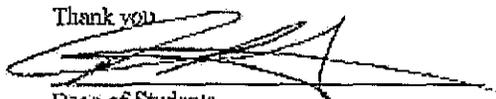
RE: Student Organization Approval (National Affiliation)

The Golden Key International Honour Society organization has completed the following necessary requirements for being a registered student organization under the category of "Honorary" at Midwestern State University.

- *Student Organization Roster
 - Includes at Least 8 Currently Enrolled Student Members
 - Includes at Least One MSC Faculty/Staff Advisor (Dr. Phyllis Behrens)
- *Completed Activity Reservation Guidelines/Agreement
- *Signed Human Dignity Statement
- *Campus Mailing Address
- *Constitution/Statement of Purpose
- *Documentation of approval/certification from the national office (email from Tony Kearney, Golden Key International Honour Society Director, North American University Relations)

Based on the information provided and having satisfied the requirements as stated in the Student Handbook, I recommend submission to the MSC Administrative Council for approval as a registered student organization.

Thank you



Dean of Students

Date

Vice President for Student Affairs & Enrollment Management

Date

Administrative Council

Date



Midwestern State University

OFFICE OF STUDENT DEVELOPMENT AND ORIENTATION
(940) 397-4500

TO: Dr. Keith Lamb, Vice President for Student Affairs & Enrollment Management
Mr. Dail Neely, Dean of Students

FROM: Kevin J. Bazner *[Signature]*
Assistant Director of Student Development and Orientation

DATE: February 22, 2013

RE: Student Organization Approval (National Affiliation)

The American Association of Petroleum Geologists organization has completed the following necessary requirements for being a registered student organization under the category of "Academic" at Midwestern State University.

- *Student Organization Roster
 - Includes at Least 8 Currently Enrolled Student Members
 - Includes at Least One MSU Faculty/Staff Advisor (Dr. Rebecca Dodge)
- *Completed Activity Reservation Guidelines/Agreement
- *Signed Human Dignity Statement
- *Campus Mailing Address
- *Constitution/Statement of Purpose
- *Documentation of approval/certification from the national office (letter from Mike Mlynek, AAPG Member Services)

Based on the information provided and having satisfied the requirements as stated in the Student Handbook, I recommend submission to the MSU Administrative Council for approval as a registered student organization.

Thank you.

Dean of Students

Date

Vice President for Student Affairs & Enrollment Management

Date

Administrative Council

Date

Credit Hour Definition

4.9 Response

The Off-Site Committee cited the University for not having its own policy and procedure for defining a credit hour and for not having a broad enough definition to cover different types of courses. In response to this, Midwestern State University (MSU) developed its own policy for the definition of a credit hour that complies with and expands on the guideline set forth in the Texas Administrative Code (Title 19, Rule 4.6) and federal regulations (CFR Title 34, Part 600.2)

Midwestern State University (MSU) proposed a policy (below) that was approved by the MSU Academic Council in February (link to minutes pg 2) and will be considered by the Board of Regents at their May 2013 meeting.

Midwestern State University Credit Hour Definition (may change based on Academic Council Review)

Federal Definition of Credit Hour

The Code of Federal Regulations (CFR Title 34, Part 600.2) defines a credit hour as “Except as provided in 34 CFR 668.8(k) and (l), a credit hour is an amount of work represented in intended learning outcomes and verified by evidence of student achievement that is an institutionally established equivalency that reasonably approximates not less than –

- (1) One hour of classroom or direct faculty instruction and a minimum of two hours of out of class student work each week for approximately fifteen weeks for one semester or trimester hour of credit, or ten to twelve weeks for one quarter hour of credit, or the equivalent amount of work over a different amount of time; or
- (2) At least an equivalent amount of work as required in paragraph (1) of this definition for other academic activities as established by the institution including laboratory work, internships, practica, studio work, and other academic work leading to the award of credit hours.“

Texas Administrative Code

Title 19, Part 1, Chapter 4, Subchapter A, Rule 4.6

(a) Traditionally-delivered three-semester-credit-hour courses should contain 15 weeks of instruction (45 contact hours) plus a week for final examinations so that such a course contains 45 to 48 contact hours depending on whether there is a final exam.

(b) Every college course is assumed to involve a significant amount of non-contact hour time for out-of-class student learning and reflection. To ensure the quality of student learning, institutions should not allow students to carry more courses in any term (that is, regular or shortened semester), which would allow them to earn more than one semester credit hour per week over the course of the term. For example, in a five and a half week summer term, students should not generally be allowed to enroll for more than six semester credit hours.

(c) Institutions should have a formal written policy for addressing any exceptions to subsection (b) of this section.

(d) Courses delivered in shortened semesters are expected to have the same number of contact hours and the same requirement for out-of-class learning as courses taught in a normal semester.

Semester Credit Hour Guidelines

In keeping with both federal and state standards in setting the minimum requirements for a semester credit hour, MSU utilizes the following guidelines to set minimum work requirements for semester credit hours based on different course and instruction types.

Lecture or Seminars:

Normally, one semester credit hour is associated with a class meeting for 50 minutes of lecture instruction per week for an entire 15 week semester (or the equivalent 750 semester-minutes). Equivalent contact time is required in summer semesters or scheduling formats of varying lengths.

Distance Education and Hybrid Courses

Distance Education and Hybrid courses will be based on the concept that one semester credit hour is granted for 50 minutes per week for 15 weeks as required for traditional classes. Departments and colleges ensure that time spent in the online component would equate to the contact hour requirements for the semester credit hour value of the course in a traditional face-to-face setting. Distance learning can be composed of both synchronous and asynchronous instructional modalities. Equivalent contact time is required in summer semesters or scheduling formats of varying lengths.

Combined Lecture/Lab or Studio

In courses that contain both a lecture and lab component 2-4 semester credit hours are assigned to the course. Typically that breaks down to 50-150 minutes of lecture per week and 50-200 minutes of laboratory or studio instruction per week for 15 weeks. Equivalent contact time is required in summer semesters or scheduling formats of varying lengths.

Clinical

Clinical hours predominately fall in the Health Sciences and Human Services disciplines and may include seminars and conferences, but the primary learning activity is by supervised "hands-on" experience in a clinical setting. Clinical contact hours are determined by program accreditation bodies and the following provides a range inclusive of all relevant accrediting agencies. For undergraduate clinical courses one semester credit hour is associated with 2-13 contact hours per week for 15 weeks (120-780 minutes per week). For graduate clinical courses one semester credit hour is associated with 4 to 6 contact hours per week for 15 weeks (240-360 minutes per week). Equivalent contact time is required in summer semesters or scheduling formats of varying lengths.

Laboratory

One semester credit hour is associated with a laboratory class meeting for 50-150 minutes per week for a 15 week semester. Equivalent contact time is required in summer semesters or scheduling formats of varying lengths.

Studio

One hundred minutes of studio instruction per week equals one semester credit hour in a 15 week semester. Equivalent contact time is required in summer semesters or scheduling formats of varying lengths.

Independent Study, Research, and Student Teaching

Semester credit hours associated with these types of instruction will be assigned depending upon the amount of activity associated with the course, faculty supervision, and student outside work activity. Departments and colleges are responsible for ensuring that course credit meets the minimum contact hour standard set by federal, state, and MSU policy. Student teaching receives 6 semester credit hours for course work but requires contact hours equivalent to full-time teaching for a minimum of 12 weeks.