



PROCUREMENT POLICY HANDBOOK

Table of Contents

1. DEFINITIONS:	6
A. Procurement:	6
B. Types of Purchases:	6
1.1 EQUIPMENT:	6
1.2 PRINTED MATERIALS:	6
1.3 SERVICES:	6
1.4 SUPPLIES:	6
2. COMPETITIVE BIDDING:	7
2.1 COMPETITIVE BIDDING:	7
2.2 DOCUMENTATION:	7
2.3 USE OF VENDOR'S BID:	7
2.4 SOLICITATION OF BIDS:	7
2.5 REQUEST FOR PROPOSALS (RFP'S):	8
2.6 VARIANCES AND POLICY WAIVERS:	8
2.7 EXCLUDED/DEBARRED VENDOR LIST:	8
2.8 QUALITATIVE FACTORS:	9
2.9 ACCEPTANCE/AWARD AND POST AWARD CHALLENGES:	9
3. SIGNATURE AUTHORITY:	10
3.1 DELEGATION OF MAXIMUM AUTHORITY:	10
3.2 AVAILABILITY OF FUNDS:	10
4. CODE OF CONDUCT IN PURCHASING	10
4.1 CONFLICTS OF INTEREST:	11
4.2 GRATUITIES, KICKBACKS AND USE OF CONFIDENTIAL INFORMATION:	11
4.3 DISCLOSURE OF OUTSIDE EMPLOYMENT:	12
4.4 APPLICABILITY OF PROCUREMENT HANDBOOK:	12
4.5 PERFORMANCE STANDARDS:	12
5. PURCHASE REQUEST:	12
5.1 USE OF FORM:	12
5.2 COMPETITIVE BIDDING DOCUMENTATION:	12
5.3 SIGNATURE REQUIREMENTS:	12
5.4 PROCESSING:	13

6.	PURCHASE ORDERS:	13
6.1	USE OF FORM.	13
6.2	SIGNATURE REQUIREMENTS.	13
6.3	BLANKET PURCHASE ORDERS.	13
7.	CHECK REQUESTS:	14
7.1	USE OF FORM.	14
7.2	SIGNATURE REQUIREMENTS.	14
7.3	PROCESSING.....	14
8.	CREDIT CARDS:.....	15
8.1	PURPOSE.	15
8.1.1	Internet purchases allowable from reputable vendors.....	15
8.2	PURCHASE REQUEST.....	15
8.3	SETTLEMENT AND RECONCILIATION.....	15
9.	COST OF PURCHASE DEFINED:.....	15
10.	ACCOUNT CODING (ASSIGNMENT OF FUND, DEPARTMENT, AND OBJECT CODES):	16
11.	ENCUMBRANCES:	16
11.1	USE OF ENCUMBRANCES.	16
11.2	CHARACTERISTICS.	16
11.3	GRANT PROGRAM EXPENDITURES.	16
11.4	GENERAL FUND EXPENDITURES.	17
12.	RESTRICTED GRANT FUNDS:	17
13.	PETTY CASH DISBURSEMENTS:	17
14.	BUDGETARY CONTROL:	17
14.1	APPLICABILITY OF PROCUREMENT HANDBOOK.	17
14.2	AVAILABILITY OF FUNDS.	18
14.3	BUDGET LINE TRANSFERS.	18
15.	RECOMMENDED PRACTICES:	18
16.	AMENDMENTS AND DEVIATIONS:	19

Iḷisaḡvik College

Procurement Handbook

Purchasing Policies and Procedures

General Provisions and Procedures:

This handbook is an outline of purchasing policies and procedures to be used by employees of Iḷisaḡvik College for procuring equipment, services, and supplies. It is intended to establish internal controls over such transactions and to assure that such expenditures are within the limits of approved operating and capital expenditure budgets.

In general, all purchases of equipment, services, and supplies are initiated by a Purchase Request. The Purchase Request is subject to required approval authority and budgetary review. It is the responsibility of the originator of the Purchase Request to ensure that all required signatures are present before routing the Purchase Request to the Finance Department for preparation of the Purchase Order. A Purchase Request may be expedited by having the originator hand-carry it through the approval process and delivering it to the Finance Department.

Special provisions may apply in many cases:

- Check Request form may not be used as a substitute for a Purchase Request.
- Competitive bidding requirements apply for purchases of \$5,000 and over; exceptions are for grant funds which may have a lower minimum bid requirement. Please refer to Grant Program Expenditures for guidance on these funds.
- Use of Blanket Purchase Requests (and Purchase Orders) is strictly limited.
- Use of Encumbrances to limit the availability of funds is strictly limited.
- Computer and communications equipment (including related software) is subject to review and approval by IT and the Dean of Administration.
- Grant programs may have stricter procurement requirements than those outlined in the handbook. Those requirements must be concomitantly followed with Iḷisaḡvik's Policy, with the lower purchase or procurement threshold taking precedence.
- Executive Level Supervisors may impose additional review and approval requirements as they deem appropriate and reasonable for procurement transactions within cost centers under their management responsibility.
- Conflicts of interest and employee relationships with College vendors must be disclosed in writing.
- All expenditures are subject to availability of funds and budgetary review. Inclusion of an item in an approved operating or capital budget is not a guarantee that an item will be approved for actual purchase.

This handbook may be revised from time to time. The most current version of this handbook is

available on the “U” drive. Questions and comments regarding interpretation and use of this handbook should be directed to the Chief Financial Officer, Controller, or the Grants Administrator.

1. DEFINITIONS:

A. Procurement:

“Procurement” and “Purchasing” as used in this policy include procuring, purchasing, leasing or renting: (1) goods, supplies, equipment and materials; (2) construction and maintenance, consulting and professional services such as Architectural and Engineering, Accounting, Social Services, etc. and (3) other services.

B. Types of Purchases:

1.1 EQUIPMENT.

Equipment includes items of a durable nature having a useful life of one year or more. Items included in the category include:

- Furniture and fixtures (desks, chairs, file cabinets, bookshelves, etc.)
- Office equipment (copiers, TV’s, etc.)
- Computer equipment (PC’s, laptops, servers, printers, peripheral equipment, storage media, connectivity equipment, software, etc.)
- Communications equipment (phones, control panels, fax machines, etc.)
- Vehicles
- Heavy Equipment
- Facility equipment (generators, compressors, heaters, food service equipment, appliances, etc.)
- Instructional equipment (i.e., centrifuge, Anatomage table, etc.)

1.2 PRINTED MATERIALS.

Printed materials include letterhead, brochures, catalogs, annual reports, business cards, check stock and forms, books, and instructional materials.

1.3 SERVICES.

Services include the following:

- Contracted repairs and maintenance
- Consulting and purchased professional services
- Printing services (catalogs, brochures, manuals, letterhead, business cards, annual reports, bank check stock, printed forms, etc.)
- Leased equipment (copiers, postage machines, vehicles, etc.)
- Remodeling projects (time and materials)

1.4 SUPPLIES.

Supplies include items of a consumable nature, such as the following:

- Instructional supplies (books, laboratory supplies, etc.)
- Office supplies

- Food and kitchen supplies
- Cleaning and janitorial supplies
- Repair and maintenance supplies (parts, lubricants, etc.)
- Construction materials (lumber, sheetrock, nails, screws, wire, plumbing supplies, small tools, etc.)
- It excludes computer and communications hardware, software, peripherals, and data storage media, which falls under Equipment (1.1, above).

2. COMPETITIVE BIDDING:

2.1 COMPETITIVE BIDDING.

For all single item or single project purchases with a projected cost between \$5,000 and \$10,000, Iḷisaḡvik College shall request at least three (3) bids. If the commodity is available locally, then at least one of the bids shall be from a local entity based in the North Slope Borough. The price of local bids shall be taken as 95% (multiplied by 0.95) when compared to non-local bids. For all single item, service, or single project purchases in excess of \$10,000 annually, Iḷisaḡvik College may invite local entities to bid the purchase by means of television, radio, print media or social media, as appropriate. All local bids submitted in a timely manner shall be considered. Bids need not be awarded solely on lowest cost. All factors that will be considered in awarding a bid shall be outlined in the invitation to bid.

Any person making a purchase on behalf of the College will disclose any conflict of interest in writing.

2.2 DOCUMENTATION.

Any and all documents generated in the competitive bidding process must be attached to the Purchase Request. Such documents include RFP's, specification sheets, drawings, and vendor proposals. These documents may include confidential information about pricing structures, development schedules, etc. Keep all bidding documentation, including any rejected proposals or unsuccessful bidder information, confidential.

2.3 USE OF VENDOR'S BID.

It is never appropriate to create a purchase commitment with a vendor by signing the vendor's bid or proposal document unless all Iḷisaḡvik College internal documentation has been approved and processed. Once a decision is made to select a vendor's proposal, follow-up with a properly signed purchase request and purchase order is required.

2.4 SOLICITATION OF BIDS.

A bid solicitation is a short form method of requesting competitive bids, usually for a relatively simple item or service. "Bids" may be obtained through research of

available vendors for a specific item or service either via the Internet or verbal conversations. The projected costs associated with each vendor must be provided by either printed material or a quote provided by the vendor directly or through their website. Material terms must be written; oral agreements will not suffice. The document should describe the item or service to be provided in both general and specific terms. When all bids/pricing is obtained, the requester shall complete the short form for competitive bids, provide a justification for their selection, and route for authorizing signatures before making any commitment with the vendor. Examples: design and print projects, simple repair projects, purchase of computer equipment.

Department and/or Program Managers should maintain a list of vendors that they have contacted to request quotes or proposals, even if no response is received from that vendor. On occasion it may be appropriate to request verbal responses from vendors. In these situations, vendor responses should be noted on the list so that the pricing information is available for review.

2.5 REQUEST FOR PROPOSALS (RFP'S).

An RFP is a more formal solicitation of proposals for an item, service, or project, where the specifications or service are relatively complicated.

Examples: services of an independent financial auditor, construction of a building.

2.6 VARIANCES AND POLICY WAIVERS.

If an RFP is received and the vendor has omitted a required item or if there is a variance from Iñisaḡvik College's policy the Program Manager or Review Committee may request a waiver. The Program Manager must provide an explanation for requesting a waiver along with any supporting information. The Chief Financial Officer and the President have authority to authorize a waiver of RFP requirements or other purchasing standards.

2.7. EXCLUDED/DEBARRED VENDOR LIST.

Iñisaḡvik College will not do business with vendors, employees, suppliers, and sub-recipients that have been sanctioned or excluded by the U.S Government for compliance problems or "anti-terrorism" provisions under Executive Order 13224. Parties identified on the System for Award Management maintained at www.sam.gov will not be awarded any grant-funded work. To comply, a search for potential vendors, employees, suppliers and sub-recipients will be conducted on the sam.gov database. It will be noted if any of these parties are on the excluded list. A report will be exported from the website and included in all vendor files. If a search displays "No Results," this report will also be exported in the same manner and included in the vendor files, demonstrating exclusions have not been filed against the vendor.

Additionally, vendors with past quality control or performance problems that have not been resolved to the satisfaction of the College will not be considered for future work regardless of bid pricing. Any exceptions to this policy must be requested by the Chief Financial Officer and approved by the President.

2.8 QUALITATIVE FACTORS.

From time to time, additional non-economic factors will be considered in selecting vendors. These factors include past performance history with the College, alignment of vendor selection with grantor and College priorities-such as use of minority or women owned business enterprises (MBE/WBE) on federally funded projects, and relationships with the College and community (i.e., local business pricing preferences). It is appropriate to consider these factors in selecting vendors if the same advantages are available to all vendors (if qualified) and the preferences are included in bid announcements so that all vendors are aware of the circumstances. If you expect to apply qualitative factors to vendor selection, please let the business office know in advance.

2.9 ACCEPTANCE/AWARD AND POST AWARD CHALLENGES.

After review of quotes, bids, and proposals the College will select a vendor and provide justification. This vendor is to be notified in writing (by fax, mail, or electronic message) of their selection. Absolutely no awards may be made verbally. From time to time, acceptance of bids may be conditional on vendor performance, shipping schedules, etc. If a vendor is selected but declines the award or is unable to fill the order in a timely manner, it is appropriate to offer the opportunity to the next best qualified vendor. Documentation indicating why the best qualified vendor was not selected or chose not to accept must be retained by the Department and/or Program Manager.

Some vendors may challenge awards made by the College. In the event of a challenge, immediately notify your supervisor. All bid documentation, emails, and other correspondence should be preserved for review. In general, Iḷisaḡvik College retains the exclusive right to award contracts and purchase goods from vendors at our sole discretion. If a situation arises where a challenge appears warranted (i.e., conflicting bid instructions), the award selection will be suspended and the vendor selection will be reviewed by the President or their designee. The President's decision will be based on a review of the circumstances, any new information provided by the Department and/or Program Manager, and input from the Grants Administrator, Controller, and Chief Financial Officer. Under no circumstances will vendors be allowed to contact, lobby, or negotiate with the President while a challenged award is under review.

The President has the sole authority to resolve a challenged award in any manner that the President deems appropriate (i.e., affirming the award, reopening the

process, adding performance conditions/due diligence requirements, etc.). The decision of the President is final and no further challenges will be considered.

3. SIGNATURE AUTHORITY:

3.1 DELEGATION OF MAXIMUM AUTHORITY.

In accordance with Board Policy 1.14, all board authority is delegated to staff through the President.

Position	Process	Maximum Authority
Board of Trustees (Chairperson's Signature)	Notification and rationale via email to entire Board of Trustees; Signature Request to BoT Chairperson (7-day turnaround)	Purchases greater than \$200,000.
President	Notification, rationale, and signature request via email to President	Purchases up through \$200,000 or as specified in approved budget, all vehicle / rolling stock, any out of state travel or travel exceeding \$2,500.
Chief Financial Officer	Notification, rationale, and signature request via email to CFO	Purchases up through \$10,000, and all vehicle / rolling stock, all travel.
Department Supervisor	Notification, rationale, and signature request via email to Department Supervisor.	Purchases up through \$2,500.

3.2 AVAILABILITY OF FUNDS.

All purchases of equipment, materials, supplies or services (except petty cash purchases) are subject to certification of (1) availability of funds and (2) inclusion in the budget. Certification is the written signature of the Chief Financial Officer or his/her officially named designee during his or her absence.

4. CODE OF CONDUCT IN PURCHASING

Iḷisaḡvik College hereby establishes a code of conduct surrounding its purchasing procedures that provide standards to guide the process and actions to follow when violations occur. This "Code of Conduct" is in accordance with and adopted from 24 CFR

84.42 inserted below for reference.

§84.42 Codes of conduct.

The recipient shall maintain written standards of conduct governing the performance of its employees engaged in the award and administration of contracts. No employee, officer, or agent shall participate in the selection, award, or administration of a contract supported by Federal funds if a real or apparent conflict of interest would be involved. Such a conflict would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in the firm selected for an award. The officers, employees, and agents of the recipient shall neither solicit nor accept gratuities, favors, or anything of monetary value from contractors, or parties to sub agreements. However, recipients may set standards for situations in which the financial interest is not substantial or the gift is an unsolicited item of nominal value. The standards of conduct shall provide for disciplinary actions to be applied for violations of such standards by officers, employees, or agents of the recipient.

4.1 CONFLICTS OF INTEREST.

No employee, officer or agent of Iñisaḡvik College shall participate directly or indirectly in the selection, award or administration of a contract supported by Federal funds if a real or apparent conflict of interest would be involved. This conflict occurs when one of those persons indicated below has a financial or other interest in a competing firm selected for an award:

- (1) An employee, officer, Board member or agent of Iñisaḡvik College involved in making the award;
- (2) A member of the immediate family of (1) above;
- (3) A partner to (1) above;
- (4) An organization which employs or is about to employ any of the parties indicated above.

4.2 GRATUITIES, KICKBACKS AND USE OF CONFIDENTIAL INFORMATION.

No employee, officer, Board member or agent of Iñisaḡvik College shall ask for or accept gratuities, favors or anything of monetary value from contractors or parties to sub agreements. The exceptions are gifts that have a nominal value such as logo or brandware.—In addition, those named above shall not knowingly use confidential information for any type of gain or unfair advantage.

Employees should report ALL gifts they receive from vendors to their immediate supervisor, including meals, gift certificates or any other gesture. Offers of rebates, discounts, or favorable terms on subsequent purchases should be reported to your immediate supervisor. It is important to note that these activities are not inherently bad, but supervisors should be informed so the reputation of the employee and the College is protected.

4.3 DISCLOSURE OF OUTSIDE EMPLOYMENT.

Under no circumstances may the College enter into any purchase commitment for any supply or service from any employee unless there is a completed and signed Disclosure of Outside Employment form on file in the Human Resource's office and all provisions of this conflicts policy have been fully met.

4.4 APPLICABILITY OF PROCUREMENT HANDBOOK.

All purchasing policies and procedures in this Procurement Handbook are applicable. No preferential treatment may be given to employees. Any purchase commitments entered into with employees must be negotiated at arm's length.

4.5 PERFORMANCE STANDARDS.

When a vendor fails to meet guidelines outlined by Iḷisaḡvik College, they may be given the opportunity to cure the performance problem. Repeated problems or failure to cure problems in a timely manner will be grounds for placing the vendor on the exclusion list.

5. PURCHASE REQUEST:

5.1 USE OF FORM.

A Purchase Request is a form used to initiate the purchase of supplies, equipment, and services. This is a required document and must be completed before a Purchase Order can be prepared. The form must be completed as follows

Vendor name, address, and contact information.

Name of person making the request and department name.

Justification for the purchase

Account code.

Shipping method and desired delivery date.

Quantity being ordered, description, part number, unit cost, extension, and estimated freight.

5.2 COMPETITIVE BIDDING DOCUMENTATION.

If Competitive Bidding is required for a given purchase, any and all documents generated in the bidding process must be attached to the Purchase Request. Such documents include RFP's, specification sheets, drawings, and vendor's proposals. These documents, including any unsuccessful bids, must be retained until the close out and subsequent audit of any grants associated with the purchase.

5.3 SIGNATURE REQUIREMENTS.

Four signatures are required:

1. IT and the Dean of Administration , if for computer or communications systems supplies, equipment (including software),

or services.

2. Grants Manager if expenditure is being charged to the specific grant they manage.
3. Grants Administrator if expenditure is being charged against a grant program. Supervisor/Department Head/Designee
4. Controller (for account code verification).

5.4 PROCESSING.

The completed Purchase Request form should be sent to the Accounts Payable Department for processing.

6. PURCHASE ORDERS:

6.1 USE OF FORM.

A properly completed and approved Purchase Request is required to obtain a Purchase Order. A Purchase Order is a computer-generated document from the accounting software module used in the Accounting Department. When signed, it functions as a formal notice of the purchasing terms and authorizes the vendor to bill Iñisaġvik College for payment. Unless required by the vendor, a Purchase Order does not need to be sent to the vendor. A Purchase Order may be faxed or emailed to the vendor, or the Purchase Order number may be phoned in to the vendor. Vendors must be required to indicate Iñisaġvik College's Purchase Order number on all invoices billed to the College. Internal requirements for a Purchase Order always apply even if the vendor does not require a Purchase Order. Because a purchase order is a commitment to use department and/or program funds, unused purchase orders should be returned to the Business Office so the funds can be released to other projects.

6.2 SIGNATURE REQUIREMENTS.

One signature is required:

1. Controller

6.3 BLANKET PURCHASE ORDERS.

Use of blanket purchase orders is highly discouraged, and will be approved only in very limited circumstances. Blanket purchase orders are used in circumstances where a relatively large volume of orders are necessary for items with relatively small dollar unit cost. For example: Someone from Maintenance makes several trips each week to NAPA to purchase automobile parts. Blanket purchase orders will be limited in duration to no more than one fiscal year, and limited in amount to no more than the maximum approval amount allowed under the signatory authority policy. All blanket purchase orders must be approved by the written signature of the Chief Financial Officer and the President.

7. CHECK REQUESTS:

7.1 USE OF FORM.

A Check Request form is used in any situation where payment needs to be generated by the Business Office. Any relevant Purchase Order and/or Purchase Request should be attached to the Check Request as support. Examples of situations where a Check Request would be used are as follows:

- Payment of legal fees and audit fees.

- Payment on real property and other long-term leases

- Distribution of student aid and scholarship funds, including subsidies and loans. Payments for utility services.

- Payment of dues, licenses, and subscriptions.

- Payment of Board of Trustee honorarium, loss of pay, per diem, and travel advances. Payment of payroll taxes, insurance, benefits, and other withholdings.

- Reimbursement of petty cash funds.

The form must be completed as follows:

- Reason for request.

- Amount being requested.

- Due date.

- A description of what the money is being used for along with an account code. Name of person or entity to whom the check should be made payable.

- Name of person or entity to which the check should be delivered.

- A Check Request submission must include an original invoice and / or other supporting documentation.

7.2 SIGNATURE REQUIREMENTS.

Six signatures are required:

1. Person making the request.

2. Department Supervisor

3. Person with department signature authority

4. Grants Manager if reimbursement is being charged to the specific grant they manage.

5. Grants Administrator if reimbursement is being charged against a grant program.

6. Controller

7.3 PROCESSING.

The completed Check Request form should be sent to the Accounts Payable Department for processing.

8. CREDIT CARDS:

8.1 PURPOSE.

There are times when purchases must be made with a credit card rather than with cash or a check. Certain personnel are authorized to use procurement credit cards and must have a signed Iḷisaḡvik cardholder agreement on file with the Finance department. A separate policy governs the expectations and procedures associated with corporate credit card use.

8.1.1 Internet purchases allowable from reputable vendors.

The price comparison and competitive bidding requirements remain in place when dealing with internet-based vendors. All vendors must have a reasonable performance history and appropriate capacity for handling College business (i.e., secure website for handling credit card information, regular customer service/support hours, appropriate warranties, etc.). Purchases from overseas vendors that do not have business offices in the United States are strongly discouraged.

8.2 PURCHASE REQUEST.

A purchase request must be completed for each credit card purchase pursuant to Section 5 above.

8.3 SETTLEMENT AND RECONCILIATION.

The completed purchase package should be sent to the Accounts Payable Department for processing and correct program fund allocation.

9. COST OF PURCHASE DEFINED:

For purposes of determining maximum Signature Authority and determining when Competitive Bidding is required; the following definition of cost (purchase amount) applies:

Cost of the item purchased is the sum of the actual direct cost of the item, plus freight and delivery, plus installation, plus any taxes and insurance, and plus cost of warranties, guaranties, licensing, and service contracts. In the case of a bulk purchase, the cost of the purchase is the total value of all items within the bulk purchase, not the unit cost of individual items.

In the case of a professional service or a service contract, cost is the sum of all the time (hours) times the billing rate, plus the cost of travel, transportation, room and board, and any per diem.

10. ACCOUNT CODING (ASSIGNMENT OF FUND, DEPARTMENT, AND OBJECT CODES):

Anyone requesting or initiating a purchase must specify an account code. The account code must specify the number of the general fund or restricted fund to be charged, the department or cost center within the fund to be charged, and the number of the natural expense classification (object code) to be charged.

No purchasing documents, such as purchase request, purchase order, check request, travel authorization, etc. should be processed without account coding. Documents without account coding should be returned to the sender.

Questions regarding assignment of account codes should be directed to the Chief Financial Officer, Controller, or Grants Administrator. The Chart of Accounts is maintained in the Business Office.

11. ENCUMBRANCES:

11.1 USE OF ENCUMBRANCES.

All encumbrances of Grant Funds must be approved by the Chief Financial Officer prior to the close of the Grant period. An encumbrance is a budget tool that commits the College to purchase supplies, equipment, or services using funds from a restricted grant program. It is generally used at the end of a grant accounting period in a situation where all grant funds have not been spent by the end of the period, but a clear commitment has been made for a well-defined activity. The intent is to recognize the expenditure as a charge against an earlier accounting period, when normally (using generally accepted accounting principles) it would have been charged against a later accounting period. A good example would be encumbering grant money to pay for materials that were ordered during the performance period but have not yet been received by the College at the time that the grant period closes.

11.2 CHARACTERISTICS.

An encumbrance is put into place in much the same way any other purchase commitment is accomplished, by a Purchase Request and a Purchase Order. Characteristics of an encumbrance are (1) the terms of the encumbrance are governed by the grant document, (2) there must be an actual (as opposed to a general) commitment to purchase, (3) performance must happen within a limited time (i.e. within 30 days after the close of the period), and (4) the purchase must be for something very specific.

11.3 GRANT PROGRAM EXPENDITURES.

Program managers must watch their expenditure levels in relation to their budgets, and identify any funds that are likely to be unspent at the end of the grant cycle or grant program. Determine if the terms and conditions of the grant program allow

encumbrances and under what circumstances. Process a Purchase Request to obtain a Purchase Order, and actually issue the order to the vendor.

Procurement transactions entered into by Iḷisaḡvik College should be done in a way that promotes, as far as is possible, free and open competition.

11.4 GENERAL FUND EXPENDITURES.

Generally, encumbrances are not used to commit expenditures using General Fund monies. In this situation, generally accepted accounting principles for determining liability (accounts payable cutoff) apply.

12. RESTRICTED GRANT FUNDS:

All expenditures from restricted grant funds are subject to the same procurement policies and procedures as expenditures from the General Fund. Grant program documents, contracts, agreements, and budgets must be carefully reviewed and understood for any stated procurement policies and procedures that govern expenditure of restricted funds. If such procurement policies and procedures differ from those stated in this Procurement Handbook, the policies and procedures which provide the more restrictive internal control will govern.

Questions regarding any apparent conflict between different procurement policies and procedures, and which ones will govern, should be directed to the Chief Financial Officer.

13. PETTY CASH DISBURSEMENTS:

Petty Cash Funds may be used to make small purchases up to \$25.00 per purchase/trip. Purchase Orders, Purchase Requests, and Check Requests are not required. An invoice or receipt with a valid account code is required for reimbursement. A Check Request form is used to replenish a Petty Cash Fund.

14. BUDGETARY CONTROL:

14.1 APPLICABILITY OF PROCUREMENT HANDBOOK.

All operating and capital expenditures are subject to budgetary control under procedures outlined for development, approval and control of such budgets. Any item, service, or project approved under the budgetary process is also subject to all other approvals, authorizations, internal controls, and other procedures outlined in this Procurement Handbook and in the Board of Trustees Approved Policy Manual. Employees may not enter into any purchase, commitment, or contract based solely on the item, service, or project appearing in an approved budget.

14.2 AVAILABILITY OF FUNDS.

All operating and capital expenditures are verified for inclusion in the budget by the Chief Financial Officer. The Chief Financial Officer shall indicate approval by signature on the check request or purchase request.

14.3 BUDGET LINE TRANSFERS.

Generally, Budget Line Transfers (BLT's) will not be permitted for the economic reason of "balancing a budget line item." It is appropriate to request changes for business reasons (i.e. increased demand for textbooks based on higher than expected student enrollment). All BLT's must be approved by the Chief Financial Officer and, where grant funds are impacted, the Grants Administrator.

15. RECOMMENDED PRACTICES:

Recommended Practices are not policy requirements, but are recommendations that should be considered as part of making procurement decisions. These recommendations are based on the past experience of Iḷisaḡvik College managers, informal guidance provided by funders, and recommendations from the community.

Lease vs. Buy Decisions: Many funding agencies require grantees to consider leasing equipment that can be returned at the end of the grant performance period. Disposing of surplus grant-funded assets can be difficult and time consuming. If a program will only use equipment for a short period of time, consideration should be given to renting the items rather than purchasing them.

Ownership of Grant Funded Assets: The College frequently takes title to grant-funded equipment (i.e., USDA Heavy Equipment) with the understanding that the grantor retains an interest in that property. Care should be taken to protect, maintain, and preserve equipment so the College maintains good relationships with those funding sources.

Total Cost of Ownership: This is a business concept that asks people to compare the purchase price of an item to the total cost of the item over the useful life. In practical terms, it means to look at the additional costs associated with maintaining, updating, and using the item going into the future. Software, Heavy Equipment, and Buildings frequently have large ongoing maintenance costs, support contracts, and other "hidden" costs that can change the economics of a decision.

Advance Approval: If you have a question or are uncertain about the specific requirements for spending grant funds, please ask the Grants Administrator for guidance. Many problems can be avoided by asking the funder for advance approval prior to committing to a big project.

16. AMENDMENTS AND DEVIATIONS:

This Procurement Policy may be amended by action of the Board of Trustees, provided, however, that minor, non-material deviation by management to reflect actual practices (such as the name of a form or job title that has been changed in the ordinary course of business) shall be permitted.

Adopted: September 30, 1998

Revised: October 6, 1999

Revised: January 22, 2004

Adopted: March 11, 2011

Revised: April 24, 2013

Revised: March 12, 2020

Revised: June 15, 2024