

University Rule 3-100D: Delegated Small Purchase Authority

1. Purpose & Scope

1. To implement [Policy 3-100](#) and outline Rules for delegated purchase authority to organizational units to make small purchases up to the relevant procurement threshold. Delegated purchase authority includes conformance with the MS Procurement Code and is subject to penalties contained therein. This Rule is binding for the University departments, and units.

2. Definitions

1. See [Policy 3-100](#), University Procurement

3. Rule

1. Procurement Thresholds:

1. Single procurement for commodities and equipment threshold: \$5,000
2. Formal Bid purchase for commodities and equipment threshold: \$50,000
3. Professionals Services Providers and Consultants are required for all project that exceeds the threshold of: \$75,000

2. Single Procurement Service Thresholds

1. Small purchases up to the single procurement threshold of \$5,000 shall be made in accordance with this Rule and University Procedures established by the Purchasing Department. Small purchases by organizational units up to the single procurement threshold may be made through P-Card. Requisitions may be required for restricted purchases. Equipment and Computers. (See Rule [R3-100E](#))
2. Organizational units may make small purchases totaling up to \$5,000 by selecting the best source. For these purchases, organizational units are not required but are encouraged to obtain and retain competitive quotes.
3. Organizational units may also make purchases up to the professionals, providers and consultants small dollar \$5,000 threshold with the P-Card or by selecting the best source and submitting a requisition. For these purchases, organizational units are required to obtain and retain two (2) competitive quotes.
4. Organizational units are responsible for the availability of funds prior to initiating a small purchase.

5. Delegated purchasing authority includes compliance with recommendations established by the Purchasing Department which encourage purchases from Small, Minority, Veteran and Woman-owned businesses.
 6. The Director of Purchasing may modify or revoke the single procurement threshold ([P-Card or Open Purchase Orders](#)) for an individual or an organizational unit. Should it be concluded that the individual department are not are not following the guideline established by the University.
3. Restrictions on delegated purchase authority
 1. Dividing or splitting of a purchase: It is a violation of MS law and University [Policy 3-100](#) for a person to intentionally or knowingly divide a procurement into smaller procurements with the intent to make a procurement qualify as a small purchase, if, before dividing the procurement, it would not have qualified as a small purchase.
 4. Open Purchase Order Usage
 1. University OPOs provide a maximum delegated authority for a single purchase below \$5,000 to a single supplier and are subject to restrictions. Instructions for use of OPOs are contained in this document. Misuse of this Open Purchase Order may result in withdrawal of privileges.
 2. Sales tax should not be paid on small purchases including OPOs and P-Cards as the University is tax exempt. Organizational units are to provide a copy of the MS State sales tax exempt form to suppliers that require check with the University Purchasing Department for the exemption form. Unused OPOs form should be disgraced and or shredded.
 3. Organizational units are responsible for all unused OPOs which must be retained in a secure place and must not be countersigned until issued.
 5. Prohibitions on use of Open Purchase Orders:
 1. Purchases over \$5,000.
 2. Capital equipment. (See [Inventory Policy](#).)
 3. Restricted purchases and special procurement items such as controlled drugs and narcotics, non-denatured ethyl alcohol, radioactive materials, and compressed or liquid gases.
 4. Procurement of live animals. (See [Rule R3-100E](#))
 5. Purchases from government agencies requiring prepayment.
 6. Repair or alterations to University physical facilities. Prepayments for supplies or services. (See Procedure [P3-100A](#))

7. Procurement of new telephones or other telecommunications service. Contact University Information Technology with questions.
 8. Purchases from suppliers outside of the United States. (See Rule [R3-100E](#))
 9. Additional prohibitions or restrictions to the use of OPOs may be made by Accounts Payable.
6. Purchasing Card (P-Card) Usage
1. Authorized individuals within organizational units may make direct purchases of supplies and services less than \$5,000 by utilizing a P-Card, except as restricted by University Regulations (See Rule [R3-100E](#)).
 2. P-Cards are generally issued to a named individual within an organizational unit however, there are few instances where departmental cards are used, wherein the card is issued to the departments.
 3. Authorization to use a P-Card requires individuals to apply for a card and requires adherence to terms and conditions of a University P-Card contract issued by the Purchasing Department.
 4. P-Card procedures are established and administered by the University Purchasing Department and the Department of Finance and Administration (DFA).
 5. The Purchasing Department is responsible to issue, approve credit limits, suspend or cancel P-Cards should the need arises.
 6. Organizational units are responsible for review and approval of P-Card transactions and documentation.
 7. Before a P-Card or T-Card can be used the Department must complete a Spending Authority Form and forward it to the Business and Finance Department.
 8. Each cardholder is required to submit to in person training with the director of or their designee on the use of Governmental Cards. Complete and sign a verification form stating that they were informed of the rules and regulations regarding P & T-Card usages.
 9. Organizational units are responsible to maintain their P-Card records for each transaction including copies of receipts, invoices, statements, correspondence, etc., based on the records retention schedule. Periodic auditing of P-Card transactions on occasion will be conducted by the University Internal Auditor and the State of Mississippi Auditor. (See [P-Card website](#))

10. The original receipts along with the Bank Statement and a Transaction Log along with a copy must be turned in to the Purchasing Office by the sixth (6) of each month
11. P-Cards can be used at campus organizational units that accept credit cards.
7. Prohibitions on use of P-Cards for purchases totaling \$5,000 or less: (See [Rule 3-100E](#))
 1. Capital and fabricated equipment. (See [Inventory Policy](#))
 2. Restricted purchases and special procurement items such as: controlled drugs and narcotics, non-denatured ethyl alcohol, radioactive materials, and compressed or liquid gases.
 3. Procurement of live animals. (See Rule [R3-100E](#))
 4. Purchases from government agencies requiring prepayment. (See [Procedure P3-100A](#))
 5. Repair or alterations to University physical facilities. Contact Facilities Management.
 6. Purchases from University faculty or staff.
 7. Purchase of items for which advance payment is required. (See [Procedure P3-100A](#))
 8. Procurement of new telephones or other telecommunications services. Contact University Purchasing Department. Payment for existing services may be made with the P-Card, with approval by the Purchasing Department.
 9. The P-Card may be used provided however, that the guest is an out of state visitors.
 10. Gifts including gift certificates, employee incentive/benefits, retirement gifts and flowers. However, condolences are not allowed.
 11. Employee parking.
 12. Gas or fuel for vehicles rental cars only when in travel mode.
 13. New memberships that have not been previously approved by appropriate organizational unit administration.
 14. Services from independent contractors, performers, consultants, speakers
 15. Student services, events, travel, tuition, scholarships, health insurance or stipends.
8. Renewals
 1. Organizational units shall submit a requisition to the Purchasing Department for competitive and non-competitive renewals.
 2. Non-competitive renewals shall not exceed the formal purchase threshold. Approval of a non-competitive renewal

- request has to go through the sole source bid process before it can be approved.
3. Competitive renewals may be renewable multi-year agreements for the total price specified in the solicitation.
9. Exceptions: Procurement Authority of Organizational Units
 1. Organizational units are authorized to solicit quotes and make purchase only after receiving a Duly Authorize Purchase Order issues by the University Purchasing Department or by the use of the University Card System.
 2. Purchases by following procedures established in this Rule.
 10. Small Purchases between \$0.01 and \$5000.
 1. Must submit requests for procurement of supplies and services or use the University P-Card provided the cost is less than \$5,000. Between \$5,000 and \$50,000 must also submit a request by organizational units to the Purchasing Department on a requisition. Purchases within these thresholds may require two quotes but may not require a formal bid process.
 2. Informal purchases may be solicited by electronic means including email, electronic bids, telephone or a request for written quotes.
 3. Informal purchases should be documented with at least two (2) written quotes or proposals, whenever possible.
 4. Award shall be made to the supplier offering the lowest responsive and responsible quotation based on objective criteria described in the solicitation.
 5. Names of suppliers offering quotations and the date and amount of each quotation shall be recorded and maintained as a public record.
 4. Rules, Procedures, Guidelines, Forms, and other related resources
 1. Rules
 1. [R3-100C](#), Requisition Use
 2. [R3-100E](#), Restricted Purchases and Special Purchasing
 2. Procedures
 1. [P3-100A](#), Vendor Prepayments
 3. Guidelines *[reserved]*
 4. Other related resource materials *[reserved]*
 5. References
 1. [Policy 3-100](#), University Procurement
 2. [Policy 3-111](#), Independent Consultant/Contractor Professional Service Agreements