

# POLICY CONCERNING CORPORATE PROCUREMENT

---

## PURPOSE

The following policy is to provide guidance over corporate procurement of goods and services to ensure that all risks are effectively managed on behalf of Associated Students Inc. (ASI). This policy outlines procurement guidelines, capital expenditures, contracts, corporate credit cards, purchase orders, corporate travel, and hospitality. Corporate procurement is set on an annual budget and capital requests allocations.

<b>POLICY CONCERNING CORPORATE PROCUREMENT</b> .....	<b>1</b>
<b>PURPOSE</b> .....	<b>1</b>
<b>WHO SHOULD KNOW THIS POLICY</b> .....	<b>1</b>
<b>DEFINITIONS</b> .....	<b>1</b>
<b>STANDARDS</b> .....	<b>2</b>
<b>1. PROCUREMENT GUIDELINES</b> .....	<b>2</b>
a. General Restrictions .....	2
b. Limitations.....	2
<b>2. CAPITAL EXPENDITURES</b> .....	<b>2</b>
<b>3. CONTRACTS</b> .....	<b>3</b>
a. Conflict of Interest.....	3
b. Artists, Performers, or Vendors .....	3
c. W-9.....	3
d. Independent Contractors .....	3
<b>4. CORPORATE CREDIT CARDS</b> .....	<b>3</b>
a. Prohibited Uses of the Card.....	4
b. Termination or Revocation.....	4
<b>5. PURCHASE ORDERS</b> .....	<b>4</b>
<b>6. CORPORATE TRAVEL</b> .....	<b>4</b>
a. Student Leader Travel .....	4
b. Professional Staff Travel.....	4
<b>7. HOSPITALITY</b> .....	<b>5</b>

## WHO SHOULD KNOW THIS POLICY

---

- |  |   |
|--|---|
| <input checked="" type="checkbox"/> Budget Area Administrators | <input type="checkbox"/> Volunteers       |
| <input checked="" type="checkbox"/> Management Personnel       | <input type="checkbox"/> Grant Recipients |
| <input checked="" type="checkbox"/> Supervisors                | <input type="checkbox"/> Staff            |
| <input checked="" type="checkbox"/> Elected/Appointed Officers | <input type="checkbox"/> Students         |

## DEFINITIONS

---

For Purpose of this policy, the terms used are defined as follows:

Terms	Definitions
<b>Capital Expenditures</b>	A capital purchase is any purchase of a single item or combination of like items with a total value equal to or greater than \$5,000 and an estimated life of greater than one year.
<b>Encumber</b>	To set aside.
<b>General Provision</b>	Specific minimum terms and conditions to which a contractor must agree in order to provide to ASI.
<b>Hospitality</b>	Hospitality includes the provision of meals or light refreshments, provision of gifts, awards, and promotional materials.
<b>Members</b>	Student leaders and professional staff.
<b>Purchase Order</b>	A commercial document and first official offer issued by a buyer to a seller indicating types, quantities, and agreed prices for products or services.
<b>Student leaders</b>	Student representatives on the ASI Board of Directors and the Executive Officers.

## STANDARDS

---

### 1. PROCUREMENT GUIDELINES

Associated Students Inc. shall follow all procurement guidelines set by the Integrated California State University Administrative Manual (ICSUAM) Section 5000 Contracts and Procurement and CSU Fullerton President Directives.

*a. General Restrictions*

All procurement purchases include these following restrictions:

- Any Information Technology (IT) equipment must be approved by the CFO before annual budget or capital request allocations.
- Any chemicals purchased must have prior approval by the ASI Director of Building Engineering, who will ensure the purchase adheres to CSUF Environmental Health and Safety's Hazardous Materials Procurement procedures.

*b. Limitations*

- Firearms, ammunition, alcohol, tobacco, and other items prohibited by CSU policies and applicable laws and regulations.
- Hospitality or other expenditures for personal celebrations such as birthdays, weddings, showers, anniversaries, Administrative Professionals Day, or other similar non-university- sponsored events.
- Any goods or services not included in the annual budget.
- Any goods or services for personal use.
- Any goods or services not allowable in the CSU system.

See the Procurement Procedures located in the Business Activities Manual for further guidelines and restrictions not outlined in this policy.

### 2. CAPITAL EXPENDITURES

Capital expenditures are costs incurred to acquire or construct a capital asset. A capital purchase is any purchase of a single item or combination of like items with a total value equal to or greater than \$5,000 and an estimated life of greater than one year. All capital expenditures approved during the capital request process are subject to ASI Board of Directors approval.

### 3. CONTRACTS

Contracts are legally binding agreements and must be signed only by the Executive Director or designee. ASI contract template may not be used by clubs, organizations, or CSU Fullerton departments due to specific language binding only for ASI and the contracted artist(s), performer(s), or vendor(s). Student clubs or organizations are legal entities under CSU Fullerton through the registration and recognition process.

a. Conflict of Interest

Business decisions must be made objectively on the basis of price, quality, service and other competitive practices. To avoid any potential influence from existing or potential vendors and customers, members are prohibited from accepting gifts from vendors, suppliers, and customers of more than token value.

Members transacting business or entering into contracts on behalf of ASI must not have any interest, financial or personal, in those transactions or contracts. Should a member have an interest in an organization with whom the ASI transacts business, the member must recuse themselves from any negotiation, authorization, or approval of such transactions.

b. Artists, Performers, or Vendors

ASI has approved contract templates to be used for vendors, artists and performers that provide a service. The contract outlines specific terms, liability and insurance requirements, and other expectations of the artist, performer, or vendor.

c. W-9

The purpose of the W-9 form is to record the tax identification number or social security, along with the name and address of an individual or business that the ASI pays for services rendered. A W-9 must be collected from all entities that receive payments for services rendered. When payments for services rendered are \$600 or more during a tax year it is reported to the Internal Revenue Service (IRS) and a Form 1099-Misc will be issued to the individual or business.

d. Independent Contractors

The IRS and California law define independent contractors' status. The CA law passed in 2019 goes further than the IRS guidelines on determining this status. ASI follows the IRS and CA law on independent contractors.

The CA law requires the application of the "ABC test" to determine if workers in California are employees or independent contractors for purposes of the Labor Code, the Unemployment Insurance Code, and the Industrial Welfare Commission (IWC) wage orders.

Under the ABC test, a worker is considered an employee and not an independent contractor, unless the hiring entity satisfies all three of the following conditions:

- The worker is free from the control and direction of the hiring entity in connection with the performance of the work, both under the contract for the performance of the work and in fact;
- The worker performs work that is outside the usual course of the hiring entity's business; **and**
- The worker is customarily engaged in an independently established trade, occupation, or business of the same nature as that involved in the work performed.

### 4. CORPORATE CREDIT CARDS

Corporate credit cards are assigned only to full-time staff and certain student leaders of the Corporation. Student leaders of the Corporation eligible to be issued, for corporate uses, a credit card include: ASI President, Chief Governmental Officer, and Chair of the Board of Directors. Full-time staff may be eligible for a corporate credit card with Department Director approval. Assignment of corporate credit cards must

be approved by the ASI Executive Director or designee.

All corporate credit cards shall have an established credit limit that must not be exceeded. Users must submit original receipts by the established monthly deadline to ASI Financial Services with appropriate request for payment forms. Full-time staff may request an increase in credit limit by submitting in writing the justification to the Executive Director or designee. Failure to submit monthly payment requests with original supporting documentation in a timely manner, or abuse of credit card privileges may result in disciplinary action.

The Executive Director or designee will review the list of users and spending limits annually.

***a. Prohibited Uses of the Card***

The following transactions are prohibited:

- Cash Advances
- All other prohibited uses outlined in this Policy and ASI Procurement Procedures

***b. Termination or Revocation***

Failure to comply with this policy may result in temporary or permanent revocation of the corporate credit card. The following are additional reasons a credit card will be revoked:

- Abuse of spending limit
- Outstanding receipts of thirty (30) days or more

A cardholder who has had their privileges revoked must submit their credit card to ASI Financial Services within seventy-two (72) hours. The Executive Director or designee and respective Department Director are responsible for initiating this process of revocation and reinstatement.

## **5. PURCHASE ORDERS**

A purchase order (PO) is a legal binding contract between ASI and a vendor. Purchase orders verify that a purchase is authorized and funds are encumbered from an appropriate account to pay the vendor(s) once the goods and/or services have been provided. A PO should be used when a vendor requires an advance guarantee of payment. A PO is not required when an artist(s), performer(s), or vendor(s) is contracted for their services.

Purchase orders are issued through ASI Financial Services.

## **6. CORPORATE TRAVEL**

ASI staff and student leaders may have the opportunity to travel on behalf of the organization. Travel on behalf of the organization shall be undertaken in the most cost-effective manner. All travel must be approved by the Executive Director or designee prior to confirming travel arrangements. All travel arrangements must be administratively reviewed and approved prior to travel to ensure costs are reasonable, commensurate with the area, and consistent with the nature and purpose of the program.

Travel funding provided under this policy cannot be used for or in connection with travel to international destinations outside of the United States or its territories or for travel to states, regions, territories, and/or other destinations prohibited by ASI, CSUF, CSU, State of California, or Federal regulations.

Further details about reimbursement and limitations are outlined in the ASI Procurement Procedures.

***a. Student Leader Travel***

All student leaders who travel must complete a Travel Liability Waiver Form prior to departure to comply with CSU Chancellor's Office Executive Order 1041.

Each student leader who travels on behalf of the organization must complete a written report on their experience upon return.

- The written report must be submitted within two weeks of return. The written report should be a minimum of 350 words summarizing the topics, panels, and speakers the student attended sessions for and what the student learned from the sessions and how the information will be

brought back to CSUF and benefit the student's organization and campus as a whole.

- The report must be given to the Board of Directors covering the content of the event and how it will benefit ASI and campus as a whole.

*b. Professional Staff Travel*

ASI staff members may only travel on behalf of the organization if it is related to the duties of their position and encompasses professional development.

## **7. HOSPITALITY**

Hospitality must be in accordance with Chancellor's Office, CSU Fullerton guidelines, and ASI Procurement Procedures. When purchases are made in accordance with CSU hospitality guidelines the coordinating campus's hospitality form must be completed and retained by ASI Financial Services. Further limitations are outlined in the ASI Procurement Procedures.

Food and beverage expenses for meetings that occur on a regular or frequent basis are not permitted. For infrequent meetings, meals or light refreshments provided in the course of a business meeting must be modest and reasonably priced and receive prior approval from the department director. When a meeting takes place over an extended period of time and the agenda includes a working meal, justification must be provided in advance detailing that the meal is integral to the business purpose of the meeting.

---

<b>DATE APPROVED:</b>	<b>04/23/2019</b>
<b>DATE REVISED:</b>	<b>09/22/2020</b>
<b>DATE REVISED:</b>	<b>04/20/2021</b>
	<b>04/23/2024</b>