

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 contracts, capital purchases, corporate credit cards, IT equipment purchases, and purchase orders. Corporate procurement is set on annual budget allocation and is in conjunction with capital requests budget adjustments.

POLICY CONCERNING PROCUREMENT	1
PURPOSE	1
WHO SHOULD KNOW THIS POLICY	1
DEFINITIONS	1
STANDARDS	2
1. CAPITAL EXPENDITURES	2
2. CONTRACTS	2
a. Conflict of Interest	2
b. Artists, Performers, or Vendors.....	2
c. W-9:.....	2
d. Independent Contractors.....	2
3. CORPORATE CREDIT CARDS	3
a. Prohibited Uses of the Card.....	3
b. Termination or Revocation	3
4. INFORMATIONAL TECHNOLOGY (IT) EQUIPMENT PURCHASES	3
5. PURCHASE ORDERS	3

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
Encumber	To set aside
Fixed Assets	Furniture, equipment or building improvements exceeding \$1,500 per unit.
General Provision	Specific minimum terms and conditions to which a contractor must agree in order to provide to ASI.

Purchase Order	A commercial document and first official offer issued by a buyer to a seller indicating types, quantities, and agreed prices for products or services.
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STANDARDS

1. PROCUREMENT GUIDELINES

Associated Students Inc. shall follow all procurement guidelines set by the Integrated California State University Administrative Manual (ICSUAM) Section 500 Contracts and Procurement and CSU Fullerton President Directives.

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. 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 who 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. 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

Independent contractors are self-employed, and they are any individual or business that does work for another party at a specified rate. An individual who is an independent contractor is not an employee for any business. Instead, the contractor does whatever work is stated within the contract and once the job is finished, the person is free to go work with other organizations.

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

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, Chair of the Board of Directors, and Chair of the TSC Board of Trustees. Full-time staff may be eligible for a corporate credit card with 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. Users must submit original receipts within seventy-two (72) hours to the ASI Accounting Office with appropriate request for payment forms and original receipts. Full-time staff may request an increase in credit limit by submitting in writing the justification to the Director of Financial Services. 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 Director of Financial Services will review the list of users and spending limits annually.

a. Prohibited Uses of the Card

The following transactions are prohibited:

- Cash Advances
- Purchase of any good or service not included in the annual budget, amendments to the annual budget, or agency funds
- Purchase of any goods or services for personal use
- Purchase of any non-CSU approved goods or services

b. Termination or Revocation

Failure to comply with 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 spending limit
- Outstanding receipts of sixty (60) days

Director of Financial Services or supervisors must initiate this process of revocation and reinstatement.

5. INFORMATIONAL TECHNOLOGY (IT) EQUIPMENT PURCHASES

Purchase of any Information Technology (IT) equipment must be approved by the Director of IT Services before annual budget allocations or capital requests and budget adjustments.

6. 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 is not required when an artist(s), performer(s), or vendor(s) is contracted for their services.

DATE APPROVED: **04/23/2019**