Purchases under $10,000.00

While purchasing may be routine for many, it is not for all. “Public” purchasing is different than “private” purchasing. Whether you make University purchases every day, once a year, or you need to make one for the first time, here are some key things that you should know:

• DELEGATIONS: Purchases can be authorized only by those specifically delegated authority. If you permit others to make purchases, make sure you formally have delegated the appropriate authority to do so.

• FORMS: You need to use the Standard Contracts/Forms or obtain legal approval for other forms or alterations.

• EEO: Regents Policy requires that vendors be equal opportunity employers.

• SMALL/TARGETED BUSINESSES: Consider purchasing from Targeted Businesses (see FAQ’s on the right).

• SALES TAX: Remember, the University is exempt from paying sales tax.

• FUNDING: Confirm the department has sufficient resources prior to entering a contract.

OVER $10,000: Formal bidding is required through Purchasing Services for purchases of $10,000 and above (see FAQ’s on the right) with the exception of UWide contracts. If you are making a purchase that is under the $10,000 limit but the purchase is close to the limit, confirm the total price with the vendor. This will avoid the problem of purchases that change and later exceed the limit.

Frequently Asked Questions

Can I avoid bidding if the request will be billed monthly over a time period?

No. The total commitment is used to determine if the request is biddable or not.

Can I break up a project into smaller parts, all of which are under the $10,000 limit?

Generally, no. Splitting a request into smaller pieces in order to avoid the bidding process is never allowed.

Where can I find Targeted Businesses?

Information on Targeted Businesses:

www.ced.umn.edu/forms/directory.pdf

www.mmd.admin.state.mn.us/process/search/

pro-net.sba.gov/index3.html

Ask yourself the following before you sign any document:

Could it be read as an agreement that binds you or the University? This could create a problem if, for example, a department sends a letter to a vendor regarding a potential purchase. The vendor may try to construe such a letter as an offer that becomes a contract when they accept it. Whether you have created a contract or not is a legal question, but why not avoid a misunderstanding? Remember: the Office of General Counsel must review any agreements or forms created by the vendor, prior to department signature.

Ask yourself the following before purchasing goods or services:

• Do I have authority?

• Can I purchase internally?

• Is there a standard contract that I could use?
Things to Remember about Travel

- **ACTUAL COSTS:** University reimburses only for actual costs; receipts are required for reimbursements of $25 and above.
- **ALLOWABLE EXPENSES:** Academic and administrative units may have limited resources and therefore may choose to be more restrictive on allowable expenses. The traveler must be aware of any of these limitations.
- **MEALS:** Domestic and International meal rates are reimbursed based on the Federal government per diems.
- **MILEAGE RATES:** Current mileage reimbursement rate for use of personal vehicle is 37.5 cents per mile.
- **FREQUENT FLYER:** Miles accumulated on University business are accumulated for the University’s use – not the individual’s use.
- **APPROVAL:** If necessary, travelers should obtain department permission to travel before travel begins.
- **FIRST-CLASS:** The University will not pay for first-class airline travel.

Purchasing Contacts and Resources

For Standard Contracts pre-approved by the Office of the General Counsel go to the UWide libraries at www.fpd.finop.umn.edu/ and click on UWide Standard Contracts Library.

**Other Resources:**

- Web Site for Purchasing: purchasing.umn.edu
- UWide Contract Web Site: uwidecontracts.umn.edu/
- Travel Web Site: purchasing.umn.edu/documents/travel/travel.html
- Financial One Stop process.umn.edu:9000/groups/controller/documents/main/osf_home.cfm

Avoid Scam Vendors

Where possible, purchase from vendors with whom you are familiar. Also, purchase through the U Stores internally or from UWide Contract vendors. Some common types of scams to watch for are copier and printer toner scams, employment ad space scams, long distance phone scams, etc.

Members of the University have done a great job of reducing the loss of money due to scams; however, new companies and new scams are created every day – so stay vigilant.

If you get a call or receive a notice that appears to be a scam rather than a legitimate business, alert Purchasing Services.

The University of Minnesota is an equal opportunity educator and employer.

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