EXPENDITURE PROCEDURES INTRODUCTION AND RESOURCES

A. Introduction

Lamar University uses purchase orders to approve the purchase of goods and services and voucher requests to generate payments to vendors, individuals, and other institutions. After a request is final approved, payment is issued in the form of a check, state treasury warrant, or direct deposit payment to the person or business specified on approved voucher.

B. Payment Vouchers

A payment voucher request is usually created by a department in order to issue a payment. If the payment voucher requires further approval after it is approved by the department, the voucher is forwarded to the appropriate processing department for review and final approval. Each processing office reviews and approves specific types of vouchers:

<table>
<thead>
<tr>
<th>Voucher Type</th>
<th>Processing Office</th>
<th>E-mail Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash Advances</td>
<td>Accounts Payable</td>
<td><a href="mailto:jody.thousand@lamar.edu">jody.thousand@lamar.edu</a></td>
</tr>
<tr>
<td>Centrally-Billed Airfare</td>
<td>Travel Services</td>
<td><a href="mailto:Lisa.Roach@lamar.edu">Lisa.Roach@lamar.edu</a></td>
</tr>
<tr>
<td>Consultant/Contracts</td>
<td>Contractor Services</td>
<td><a href="mailto:Diane.Thibodeaux@lamar.edu">Diane.Thibodeaux@lamar.edu</a>; <a href="mailto:Jack.Tenner@lamar.edu">Jack.Tenner@lamar.edu</a>; <a href="mailto:Danielle.Grissom@lamar.edu">Danielle.Grissom@lamar.edu</a></td>
</tr>
<tr>
<td>Moving Expenses</td>
<td>Travel Services</td>
<td><a href="mailto:Lisa.Roach@lamar.edu">Lisa.Roach@lamar.edu</a></td>
</tr>
<tr>
<td>Payroll</td>
<td>Payroll Services</td>
<td><a href="mailto:Shaw.Shang@lamar.edu">Shaw.Shang@lamar.edu</a></td>
</tr>
<tr>
<td>LU Pro Card</td>
<td>Purchasing</td>
<td><a href="mailto:Jack.Tenner@lamar.edu">Jack.Tenner@lamar.edu</a>; <a href="mailto:Danielle.Grissom@lamar.edu">Danielle.Grissom@lamar.edu</a></td>
</tr>
<tr>
<td>Purchase Order</td>
<td>Accounts Payable</td>
<td><a href="mailto:Jack.Tenner@lamar.edu">Jack.Tenner@lamar.edu</a>; <a href="mailto:Danielle.Grissom@lamar.edu">Danielle.Grissom@lamar.edu</a></td>
</tr>
<tr>
<td>Payment Request</td>
<td>Accounts Payable</td>
<td><a href="mailto:Jody.Thousand@lamar.edu">Jody.Thousand@lamar.edu</a></td>
</tr>
<tr>
<td>Travel</td>
<td>Travel Services</td>
<td><a href="mailto:Lisa.Roach@lamar.edu">Lisa.Roach@lamar.edu</a></td>
</tr>
</tbody>
</table>
ENTERTAINMENT AND OFFICIAL OCCASION EXPENSES

Expenditures of Lamar University funds for entertainment should support the institutional mission and must serve a business purpose.

Generally entertainment expenditures include food and beverages, facility rentals, flowers, invitations, and other similar expenses and should be related to one or more of the following purposes:

- recognition or promotion of academic achievement, athletic achievement, scholarship, and/or service to the institution
- promotion or communication of intellectual ideas and/or exchange of administrative and operational information on the institution’s programs or activities
- support of institution-sponsored student events and activities
- recruitment of students, faculty, staff
- assistance to The Texas State University System Regents, accrediting agencies, officials from other institutions, etc.

A. Official Occasions

An “official occasion” is defined as a reception, luncheon, dinner, or similar event that is sponsored and funded by Lamar University and is often hosted by an executive officer. These functions are normally associated with special programs, university guests, faculty, and staff recruitment. Examples include conferences, workshops, seminars, development events (donor receptions, fundraising activities, etc.), planned retreats, administrative meetings, and other similar activities.

B. Administrative/Business Meetings

Administrative/Business meetings generally involve two or more people, must include a university employee, are agenda driven, and directly concern university business. Business meeting expenses may be reimbursed if the meal or light refreshment is an integral part of the meeting, not a matter of personal convenience, and the meeting time encompasses a regular meal time and could not otherwise be scheduled during regular working hours. University funds, no matter the source of funds, cannot be used for social lunches between two or more university employees.

C. Entertainment Expenses

Expenses incurred for official occasions, administrative meetings, and entertainment may be reimbursed according to the Entertainment and Official Occasion Expenditure Policy Chart for the appropriate type of expense.
### Entertainment and Official Occasions Expenditure Policy Chart

<table>
<thead>
<tr>
<th>Expense Type</th>
<th>Allowed</th>
<th>Allowable Sources</th>
<th>Required Approval</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Meals, refreshments, including alcohol,*** and related items (includes gratuities within reasonable limits) for official occasions and other University functions.</td>
<td>Dependent on funding source. See Comments.</td>
<td>Gift accounts, or accounts specifically budgeted for official occasions (such as departmental non-operating accounts)</td>
<td>Approval by the applicable dean or vice president</td>
<td>Pursuant to Article III of the Texas Appropriations Bill, all alcohol purchases for entertainment and official occasions related to Intercollegiate Athletics are entirely processed, approved, and purchased using Gift funds under the control of the Vice President of Finance and Operations.</td>
</tr>
<tr>
<td>Designated and Auxiliary Funds generated from Student Tuition and Fees</td>
<td></td>
<td>Approval by the Vice President or Associate Vice President for Finance</td>
<td>Student Fee and Flat Rate Tuition Funded Accounts are an exception to the general policy. These funds must be used to support student academic services, events, or Materials. Meals and refreshments are not allowed unless for events in support of student and/or academic services where the majority of the attendees are students. These accounts can never be used to purchase alcohol. Alcohol purchases are not allowed on any account involving student fees or with any funds under the control of Intercollegiate Athletics.</td>
<td></td>
</tr>
<tr>
<td>Non-State and Non-Federal Sponsored Research Funds</td>
<td></td>
<td>Advance approval by the sponsor and dean</td>
<td>Alcohol purchases are not allowed on any account involving student fees or with any funds under the control of Intercollegiate Athletics. Auxiliary funds may be used in conjunction with specific programs and activities if appropriate.</td>
<td></td>
</tr>
<tr>
<td>Auxiliary Enterprises Funds</td>
<td></td>
<td>Approval by the applicable dean or vice president</td>
<td>Alcohol purchases are not allowed on any account involving student fees or with any funds under the control of Intercollegiate Athletics. Auxiliary funds may be used in conjunction with specific programs and activities if appropriate.</td>
<td></td>
</tr>
<tr>
<td>Flowers, Invitations, Holiday Cards</td>
<td>Yes. See Comments.</td>
<td>Same sources and restrictions as for meals and refreshments. Faculty endowment, scholarship, and other restricted accounts cannot be used.</td>
<td>Approval by the Vice President of Finance</td>
<td>If sent by a department or office to honor the deceased or for congratulations, or for other University-related purposes, these expenses are allowed.</td>
</tr>
<tr>
<td>Gifts of cash, certificates or merchandise</td>
<td>No</td>
<td>None</td>
<td>Not Applicable</td>
<td>Per Texas Constitution Article III</td>
</tr>
<tr>
<td>Awards to employees Lamar University (no gift cards or gift certificates)</td>
<td>Yes, with the exception of gift certificates and gift cards</td>
<td>Same sources as for meals and refreshments. Restrictions may apply.</td>
<td>Approval by the Vice President of Finance</td>
<td>Per I.R.C. Sec 74 &amp; IRS Publication 15-A. This does not prevent the use of allowable funds for duly approved awards in excess of the de minimus threshold of $50. Gift certificates and gift cards for any amount are disallowed for employees.</td>
</tr>
<tr>
<td>Awards to retirees, students, or friends of Lamar University</td>
<td>Yes. (See Dollar Limits and Comments.)</td>
<td>Same sources as for meals and refreshments. Restrictions may apply.</td>
<td>Approval by the Vice President of Finance</td>
<td>Per I.R.C. Sec 74, &amp; IRS Publication 15-A &amp; 515. This does not prevent the use of allowable funds for duly approved awards in excess of the de minimus threshold of $50.</td>
</tr>
</tbody>
</table>
D. Oversight of Entertainment Expenditures

Oversight of entertainment expenditures is required at the senior administrative level, i.e., by vice presidents and deans. Entertainment expenses will require approval prior to the function.

Additional requirements for entertainment expenditures may be promulgated by the Vice President for Finance.

E. Companion of a University Guest or University Host

For an entertainment expense to be allowed, all those attending must serve a bona fide business purpose. This purpose must be documented on the purchase order request and then again on the voucher payment request. Companion expenses are generally not reimbursed unless they are for receptions, development, distinguished visitors/lecturers, or recruitment purposes. In order to justify a bona fide business purpose, expenses for a university host's companion are usually reimbursed only if the guest also brings a companion.

F. Approval to Serve Alcohol in Campus Facilities

Advance approval by the Vice President for Finance is required to serve alcohol in campus facilities, including leased spaces. This approval must be submitted with the purchase order request. Payment voucher requests will be rejected if the Vice President for Finance prior approval has not been obtained.

G. Flowers for Individuals

Flowers to or for individuals that are not associated with a university-funded event must be sent in the name of the sending department or office. Flowers may be purchased for funerals, memorial services, hospital stays, and extended illnesses or for congratulations. Flowers may also be purchased for other occasions that serve a bona fide business purpose of the university. Flowers may be paid by reimbursement to the purchaser or by direct payment to the florist. All flower purchases are authorized by the Vice President for Finance. Payment voucher requests will be rejected if the prior approval by the Vice President for Finance has not been obtained.

H. Invitations and Holiday/Greeting Cards

Invitations are issued by administrative officers; normally the president, a vice president, dean of a college or school, or the administrative equivalent. Invitations should clearly indicate that the event is a university function. Holiday and greeting cards must be issued in the name of the sending department or office. All invitation and holiday/greeting cards purchases must have prior approval by the Vice President for Finance. Payment voucher requests will be rejected if the prior approval by the Vice President for Finance has not been obtained.

I. Deadline for Submitting Invoices and Receipts

In accordance with the Prompt Payment Act, vendor invoices must be submitted for payment within 30 days of the event in order to avoid accrued late interest fees.

Due to Internal Revenue Service (IRS) regulations and Safe Harbor rules, employees who request reimbursement of expenses that were incurred more than 60 days ago are required to submit with their request for reimbursement a written statement explaining the reasons for the delay. Late reimbursement requests will also require additional levels of approval and may be disallowed entirely or reported as taxable income to the payee.

The Purchase Order request form must include the date of the activity, location, participants and/or group attending with estimated or actual number of people attending, purpose, benefit, funding source to charge, and required approval(s).
To prevent a personal tax liability, an itemized receipt or ticket is required for meals, or events with food, and the receipt or ticket must include the number of attendees. If itemized receipts or tickets are not available, a written statement documenting the itemized expenses must be included and signed by the employee, and the unit business officer must approve the expense.

All other consumable and non-consumable items, such as those purchased from grocery or department stores, must be itemized without exception.
OTHER REIMBURSEMENTS

A. Definition

Expenses that do not pertain to travel or entertainment may be reimbursable expenses for faculty or staff if the expenses have a business purpose for the university.

The remainder of this section discusses reimbursements that are not related to travel or entertainment.

Reimbursement for out-of-pocket expenses for purchases of goods, materials, and/or services does not exempt the university, its officers, or its employees from the purchasing laws, rules, and guidelines of the university, the state of Texas, or Texas Procurement and Support Services.

Routine purchases of goods or materials and services must be processed on a purchase order. Purchases made from personal funds that require reimbursement should be reserved for emergency circumstances, must not cost over $5,000, are subject to review by the Associate Vice President and Director of Procurement and Payment Services, and may be rejected.

B. Expenses Not Allowed

1. Office Supplies

All office supplies should be purchased through approved vendors the university have contracted rates with; therefore, faculty or staff may not be reimbursed for such items.

2. Hardware and Software

Due to ownership, warranty, and licensing issues, all hardware and software purchases must be purchased via purchase order; therefore, faculty or staff will not be reimbursed for such items. A one-time exception may be requested from the Associate Vice President of Finance under extenuating or emergency circumstances, and may be rejected. If Texas sales tax was charged, it will not be reimbursed.

C. Allowable Reimbursements (Nontravel and Nonentertainment)

Allowable reimbursements to faculty or staff include reference books and materials, memberships, subscriptions, and registration. Faculty or staff must have prior approval for the purchase and use a Texas Sales and Use Tax Exemption Certificate when making purchases on behalf of the university. If Texas sales tax is charged, it will not be reimbursed. To obtain this exemption certificate, please follow instructions set forth on the Finance Office Procurement Web page.

1. Reference Books and Materials Defined

Reimbursements for reference books and materials under $5,000 are allowable reimbursements. The purchase must support a professional, academic, or research library that has the characteristics as defined below:

a. Library Books and Materials Definition

A library book is generally a literary composition bound into a separate volume and identifiable as a separate, copyrighted unit. Library reference materials are information sources other than books. This includes journals, microforms, audio/visual media, computer-based information, manuscripts, maps, documents, and similar items which provide information essential to the learning process or which enhance the quality of academic, professional, or research libraries. Changes in value for professional, academic, or research libraries may be reported on an aggregated net basis.

b. Library Characteristics
A professional, academic, or research library normally has one or more of the following characteristics:

- Checkout procedures and policies exist and are used
- Equipment assigned to libraries typically remains under central security for on-premises use
- Existence of the library helps the entity fulfill its mission
- Individual item costs and supplemental information is generally contained in a supplemental database
- Information is housed in a centralized location
- Internal controls are in place in lieu of central property management
- Physical security measures are in place to protect the assets
- The value is material to the organization
- Volumes assigned to libraries are typically available to employees, students, and other individuals for checkout or use

2. Memberships

Professional, institutional, or social club memberships are allowable reimbursements for faculty or staff only if they pertain to the person’s job duties and benefit the university. For social memberships, approval from the president is also required.

3. Subscriptions

Subscriptions to magazines or newspapers are allowable reimbursements for faculty or staff only if the subscriptions pertain to the person’s job duties and benefit the university. However, the subscription cannot be delivered to the person's home address. The account used must allow these types of purchases. Otherwise, the vendor must be paid directly by the university.

4. Registration

Registrations for conferences or workshops are allowable reimbursements for faculty or staff or paid directly by the university.
BOTTLED WATER PURCHASE

A. Definition

“Bottled Water” includes individual bottled water up to and including five-gallon bottled water and water cooler rental. The purchase of bottled water is for personal consumption by employees and guests and is considered an entertainment expense, in which case it may only be purchased with local funds on accounts where entertainment expenses are allowable as outlined in the Entertainment and Official Occasions Expenditure Policy Chart.

B. Purchase Requirements

A department should not process individual purchase orders monthly for any known, long-term requirements, including monthly water purchase. If the purchase of bottled water is an ongoing requirement and recurs on a monthly basis, an annual blanket purchase order must be in place. All water purchases must following these guidelines:

- For annual blanket orders or individual purchases of $5,000 or less, competitive bids are not required.
- For orders that total between $5,000.01 up to a maximum of $25,000, a minimum of three bids (including a minimum of two HUB vendors) are required.
- For orders totaling over $25,000, formal bids must be solicited by the Purchasing Office.

These guidelines apply to drinking water only, not water for lab use. Purchase of drinking water is not allowed on state funds.
PREPAYMENTS

A. Allowable Prepayments

As a general rule, Lamar University is prohibited from paying for goods or services prior to receiving them. However, prepayment may be allowed for the following products and services:

- books
- initial purchase or renewal of subscriptions
- initial purchase or renewal of professional memberships
- registration fees (with prior approval)
- rental, such as for copiers, cylinders, or space
- lease payment
- maintenance agreements
- software
- publications such as pamphlets, brochures, or reprints
- classified advertising
- postage
- exhibit booth fees
- accreditation fees
- exam fees

B. Prepayment Requirements

Prepayments for products and services require that a purchase order be approved. The request for the prepayment and invoice should be attached to the purchase request noting a need for the prepayment.

C. Prepayment Approval

Prepayment terms for the purchase of goods are considered an alternative to the normal method of payment after the goods are received. They require prior approval by the associate vice president of finance and must be clearly identified on a purchase order. Suppliers may be required to document business issues or hardships to support their requests for prepayments or progress payments.

D. Deposits

A deposit is a partial or full payment to a vendor used to reserve a meeting room, space, or audio and visual equipment, or to cater an event on a specific date. If a vendor requires a deposit in order to conduct business, making a deposit is allowed if these guidelines are followed.

1. Refund of Deposit Clause

The Refund of Deposit Clause must be included in the contract or on the invoice issued by the vendor and it must state the following:

"Refund of Deposit/Prepayment. In the event this Agreement is canceled by <insert name of vendor> for reasons not attributable to Lamar University or if canceled by the university for default of performance by <insert name of vendor> or Force Majeure, then within 30 days after termination, <insert name of vendor> will reimburse the university for all advance payments paid by the university to <insert name of vendor> that were (a) not earned by <insert name of vendor> prior to termination, or (b) for goods or services that the university did not receive from <insert name of vendor> prior to termination."
COMMUNICATION DEVICE ALLOWANCE

A. Introduction

Lamar University recognizes that the performance of certain job responsibilities may be enhanced by the provision of communication devices and services. For purposes of this policy, a communication device is defined as a cell phone or personal digital assistant (PDA) that allows for two-way communication. A communication service is defined as the plan providing for operation of a communication device and/or an Internet Service Provider (ISP). This policy establishes methods for making a communication device and its operation available to employees and/or reimbursing for ISP costs if the job requires that they be able to connect to the campus network to perform duties from an alternate work location.

B. Acquisition of Communication Devices

1. University-owned Devices

A department may elect to acquire and provide a communication device to an employee whose job duties, in the opinion of the department head, necessitate the provision of such a device. A communication device acquired by a department and provided to an employee is considered to be university property and will be used by the employee for university business purposes only. Absolutely no personal use is allowed.

2. Employee-owned Devices

A department may elect to monetarily contribute to the employee’s purchase and operation of a communication device and/or ISP when such employee’s job duties, in the opinion of the department head, necessitate the provision of such a device and/or service. In order to ensure the university fully complies with Federal tax regulations, direct reimbursements to individuals for these expenses outside the allowance process are not allowed.

   • Monthly Communication Service Allowance—provides a monthly salary supplement for the operation of a communication device and/or ISP. The supplement is provided to the employee for as long as the employee’s department head determines that he or she qualifies under this policy.

A communication device acquired by this method is considered to be the personal property of the employee and accordingly may be used in any way the employee deems appropriate. Any service contract the employee enters into regarding the acquisition or operation of a communication device or ISP acquired by this method is personal to the employee. The university will have no obligation or make any guarantees with respect to such service contracts.

C. Departmental Responsibilities

The department head is responsible for the following:

   • Determining whether the employee’s position requires a communication device/service based on his or her job duties and responsibilities;
   • Determining the source of funds to be used to pay for a communication device/service.

If the communication device is to be owned by the university (see section B.1. of this policy), the department head is additionally responsible for the following:

   • Ensuring that the substantiation requirements outlined in section E are satisfied; and
   • Removing access to a university-owned device as contemplated by this policy if documentation of phone activity shows personal use.
If the communication device is to be owned by the employee (see section B.2 of this policy), the department head is additionally responsible for the following:

- Determining the appropriate monthly communication service allowance for the employee within the monthly allowance amounts approved and published by the university (see section F of this policy for information about allowance rates); and
- Completing the necessary forms to document the approval. A copy of the completed and approved Communication Device Allowance Request must be retained in the employee's departmental personnel file. Contact the Office of the Controller for information about the required form.

After the Communication Device Allowance Request is completed and approved, the department must use the Personnel Action Form F3.2 to enroll the employee and establish the monthly allowances as specified on the approved request.
AWARDS

Introduction

Awards are given to recognize a person or group, including companies, student groups, universities and other organizations, for their merits or contributions to Lamar University.

B. United States Internal Revenue Service (IRS) Requirements and Restrictions

IRS requirements and restrictions for awards are as follows:

1. Employee Awards

a. Cash Awards

Awards of cash to employees for any amount must be processed through Payroll Services. Cash awards paid to employees must be part of an authorized awards program that has been approved in advance by the applicable dean or vice president. The department must state the frequency, amount, account, nature, and selection criteria to be used.

b. Gift Certificates and Gift Cards

Gift certificates and gift cards for any amount are disallowed. These items are taxable to the recipient, and it is administratively infeasible to assess and collect the required taxes and fringe benefits.

c. Merchandise

Employee merchandise awards exceeding a fair market value of $50 must be included in the employee’s taxable income, unless the award is for length of service or for safety achievements. The value is determined by purchase price unless the item has been personalized (inscribed), which will make the fair market value zero. Merchandise awards in excess of $400 given for length of service or for safety achievements must be included in the employee’s taxable income. Length of service or safety achievements awards must also be awarded as part of a meaningful presentation, and awarded under circumstances that do not indicate that the payment is disguised compensation.

d. Athletics-Related Awards

Athletics-related awards that exceed fair market value of $50 are monitored by the Athletics Business Office and reported annually to Payroll Services to be included in the employee’s W-2. (athletic tickets at an employee discount, etc)

2. Non-Employee Non-Cash Awards Exceeding a Fair Market Value of $50

The value is determined by purchase price unless the item has been personalized (inscribed), which will make the fair market value zero.

Gift certificates and gift cards for any amount are disallowed. These items are taxable to the recipient.

Award recipients must provide their permanent mailing address and Social Security number for issuance of 1099-MISC form for awards that exceed a fair market value of $50. This information must be included with the payment document that is sent to Controller’s Office for approval.
Departments must keep a log of awards, regardless of amount or method of payment, which includes the awardees name, explanation of award.

Awards presented outside the United States to non-US citizens/residents are not reportable, and no tax information is required.
PAYMENT PROCESS - GENERAL INFORMATION

A. Introduction

The subsections of this section define Lamar University’s procedures for processing payments to suppliers for the purchase of goods and services. In general, goods and services are procured through the use of a purchase order.

Payment of invoices requires specific supporting documentation. Payments on purchase orders require that invoices are matched to the purchase orders and to the documentation of the receipts for the goods or services. All payments, regardless of funding source, are subject to university procedures.

B. Resources

The payment process at the university is governed by a variety of regulations published by the State of Texas. Some of these regulations include:

- Texas Government Code, Chapter 2251. Payment for Goods and Services
- Texas Government Code, Chapter 403. Comptroller of Public Accounts, Subchapter D. Warrants, Receipts, and Registers, Section 403.055. Payments to Debtors or Delinquents Prohibited

PAYMENT GENERATION AND DISTRIBUTION

A. Introduction

Local funds payments at Lamar University are generated and distributed on a semi-weekly basis, Tuesday and Thursday.

Note: This section does not include payroll checks.

B. Payment Generation

An approved payment document is a payment voucher. A payment is generated based on the scheduled payment due date indicated on the payment voucher. Payment will issue as a check, state treasury warrant, or direct deposit payment. The Texas State University System advocates direct deposit.

- **Payments from Local Funds**
  Payments from local payment vouchers are issued through the university’s local bank account.

- **Payments from State Funds**
  Payments from state payment vouchers are issued through the Office of the Texas Comptroller on behalf of the university. If a payment document clears all of the requirements to pay from state-held funds, the university’s Banner accounting system sends the information to the State of Texas Uniform Statewide Accounting System (USAS). USAS generates the state warrant or direct deposit directly out of the university’s appropriated funds held in the state treasury.

C. Distribution

- **Paper Checks**
  There are a variety of distribution options for paper checks, including U.S. mail, foreign mail, certified mail, check pick up, and distribution with attachments.
    - Paper checks will be mailed via appropriate method by the Cash Management Office.
    - Check pickup requires a business need and special permission from Controller.
Checks to be distributed with attachments receive special handling within the Accounts Payable Department. These checks can include those that need to go out via overnight/special delivery (such as UPS or FedEx) as well as checks that need to go out with a payment remittance, registration paperwork, etc.

- **State Warrants**
  State warrants are mailed from the Texas Comptroller of Public Accounting Treasury Office daily and are delivered to the university’s Cash Management Office. The distribution options for state warrants are the same as for paper checks (listed above).

- **Direct Deposit Payments**
  Local direct deposit payments usually require a two business day posting period, depending on the receiving banking institution.
Frequently Asked Procurement Questions

**What can't I buy?**
Really, you can't buy anything. Only personnel with delegation from the Vice President of Finance of the institution can obligate the university to buy something. Only a small handful of personnel in Controller’s Office have delegation to issue purchase orders or sign contractual agreements that obligate funds for the university.

Prior to making a purchase, a signed purchase order must be in place and signed by an authorized signer. Most university personnel, including the person entering your electronic requisitions, only have "requisitioning authority." You can't sign contracts either, nor can most of your bosses. If you attempt to do so, the contract is voidable - and causes untold problems. Unless specifically delegated by the Vice President of Finance of the institution, no one can obligate the University by signing a business contract.

IN GENERAL, NO STAFF OR FACULTY MEMBER, DEAN OR CHAIRPERSON HAS THE AUTHORITY TO SOLICIT, SELECT, OR OBLIGATE LAMAR UNIVERSITY IN ANY CONTRACTUAL MATTER OR SIGN AN AGREEMENT.

**How do I buy the goods and services I need to perform my job at LU?**
Lamar University purchases goods and services by determining the products and the suppliers that will afford the university the "best value."

**What is "best value" and how is it determined?**
Best value means the optimum combination of economy and quality to achieve the objectives of the end user and the university. To determine this optimum combination, decisions must be made on some pre-purchase evaluation criteria pertaining to specific purchases. There are different guidelines for purchasing goods and services as well as special services like consulting or professional services from architects.

These criteria might involve some or all of the following examples: price, quality, service after the sale, reputation of the vendor, delivery time, cost for training or installation and even trade-in or surplus value when you are through using the item. The list can go on to include as many specific criteria for your purchase that is needed to make the evaluation.

**Is everything bought with a purchase order?**
The general rule is all purchases of goods and services are through a purchase order. Certain purchases may also require a contract and/or agreement with the vendor. **Do not sign the contract or agreement yourself!** Always contact Purchasing when dealing with any type of service agreement or written contractual agreement presented by a vendor.

Often with software licenses, the vendor will request that a software license agreement be signed in addition to the purchase order. This agreement will add terms and conditions concerned with use of the software that don’t appear on a standard purchase order. **You should never sign a software license agreement!** Always contact Purchasing when dealing with any type of licensing document or written contractual agreement presented by a vendor. Please contact the buyer for your department for assistance with agreements.

Contracts and agreements are still subject to all of the Purchasing guidelines, Documentation of competitive bidding or sole source justification is still required. If a license agreement is processed in conjunction with a purchase order, both the
agreement and the purchase order are required and processed simultaneously. You must note the document ID of the purchase order on the license agreement and include a note to your buyer on the purchase order document indicating a license agreement is being processed.

All exceptions must be approved by Controller.

**Do I have to get competitive bids for everything I buy?**

No, you do not. Of course, comparing prices and "shopping around" is always a good practice. You should also keep in mind purchasing from Historically Underutilized Businesses (HUBs) when possible to meet the university's **HUB goals**.

Also keep in mind, buying recycled products when practical helps to conserve our natural resources.

**What else requires competitive bids?**

The Texas Legislature requires that we support the state's efforts to gainfully employ persons with disabilities. We must give first consideration to goods and services provided by persons with disabilities. Products and services offered by the Texas Industries for the Blind and Handicapped (TIBH) are listed on the **TIBH Online Catalog**.

TIBH offers these products and services through State of Texas contracts. We must check their pricing and availability. However if these goods do not meet your best value criteria, that failure is justification to buy the products from the commercial marketplace.

For **purchases over $5,000**, Lamar’s purchasing department can take quotes by fax, phone, or e-mail on orders up to $25,000. We call this "informal bidding." "Formal bidding" is where vendors must send in sealed envelopes containing their offers by a certain date and time in order to be considered. "Informal bidding" requires at least three (3) quotes to determine the best value purchase source. At least one quote must be from a HUB.

**I do not know what I need. I know what I want to do, but don't know how to do it.**

Purchasing also finds problem-solvers, headhunters, consultants, and professional services personnel including (but not limited to) engineers, architects, actuaries, lawyers, appraisers, and surveyors.

If you need this type of assistance, the state has a whole different set of rules we have to play by, which can get complicated. In a nutshell, if you think you need any of the following, please call Purchasing first:

**Professional Services:** These are all the professions that are actually certified by their peer groups, associations or state boards; they must continue to take training to maintain their certifications. Some examples are architects, accountants, lawyers, and engineers. If in doubt, check with Purchasing. We have to follow the official state of Texas definition of who is what for these types of services.

**Consultants:** Everybody calls themselves consultants, but the State of Texas has its own definition and determination of who a consultant is and what consulting is. Please do not guess; call Purchasing at the first inkling that you may need a consultant. Above all **do not sign anything!**
CASH PRIZES TO STUDENTS

A. Payment of Cash Prizes

Cash prizes awarded to students must be processed using the Banner Financial Aid System. The following documentation must be sent to the Financial Aid Office in order for the cash prize to receive final approval:

- Documentation about the competition such as a contest flyer, printed Web page, etc.
- A documented list of winners
- A printed copy of the scholarship document cover sheet