


COLUMBUS STATE

COMMUNITY COLLEGE

To: Cabinet, Deans, Directors and Chairpersons
From: Aletha M. Shipley, Vice President, CFO and Treasurer 
Date: October 5, 2016
Subject: Purchasing Authorizations and Signature Approval Protocol

By Ohio law, the College's President has authority to direct the disbursement of the College's monies, and the Treasurer must certify that funds are available for an expenditure prior to it being incurred. (Ohio Revised Code 3358.06) To implement these statutory requirements, various College policies and procedures exist to guide our work.

In the context of State law and College procedure 9-03(H)(9), which calls for each cabinet member to establish a signature approval structure for purchases, President Harrison has determined the extent to which he is delegating authority to his Cabinet. The College's *Signature Approval Protocol* ("Protocol") has been updated accordingly. The updated *Protocol* is attached.

The *Protocol*, and other authority delegated by the President to Cabinet, is grounded in the following principles:

- Balance effective internal controls with efficiency in operations;
- Establish a check and balance by having two individuals participate in the commitment of college resources (an initiator and an approver); and
- Avoid potential improprieties – real or perceived – by having someone other than yourself sign off on expenses that are incurred by or for you, e.g., reimbursements that will be paid to you directly for incurred expenses; organizational or individual professional memberships or dues; or other expenses you incur for yourself professionally.

The Office of Purchasing and Accounts Payable, led by Darrin Albaugh, serves as an additional check and balance on approvals. Darrin has been authorized by the President and me to bring to our attention any patterns that develop that demonstrate insufficient review of expenditures or non-compliance with policy, procedure or other described financial/operational protocols.

Darrin Albaugh, Supervisor for Purchasing and Accounts Payable, and his team are always available to assist you. Their phone numbers are listed at the end of the attached Purchasing Authorization and Signature Approval Protocol.

c: David T. Harrison, President

Attachment: Purchasing Authorization and Signature Approval Protocol

BUSINESS SERVICES

PURCHASING AUTHORIZATION and SIGNATURE APPROVAL PROTOCOL
Effective OCTOBER 5, 2016

Definitions:

Cabinet: *Cabinet* is comprised of the President, Senior Vice Presidents, Vice Presidents, the Director of Institutional Effectiveness, and the Superintendent of School & Community Partnerships. For purposes of this Purchasing Authorization and Signature Approval Protocol, the Executive Director of the CSCC Development Foundation has the equivalent signature/approval authority. In some instances, College Policy or Procedure allows a Cabinet member to delegate approval authority to a designee. Such designations must be sent to Purchasing and Accounts Payable in writing and specifically note the authority that is being delegated and to whom. Such delegation of authority can be made only to a Cost Center Manager who is a direct report to the Cabinet member or to another Cabinet member.

Cost Center Manager: *Cost Center Managers* are defined by title and include the following: Cabinet, Associate Vice Presidents, Deans, Directors (Director II, Director I, Executive Director, Assistant Director), and Chairpersons. *Cost Center Managers* are administrators and have budget responsibility for their cost center(s). While Supervisors may assist with budget development and management, Supervisors do not have direct budget responsibility and do not have *Cost Center Manager* authority or responsibility.

Initiator: An *initiator* is an employee who creates a requisition (in Colleague) or creates a Request for Payment to Outside Vendor form. Any employee can initiate a payment request or requisition. In many cases, the *initiator* is an Administrative Assistant, Office Associate, Teaching Assistant, or Program/Grant Coordinator who enters the relevant information in Colleague or prepares the Request for Payment to Outside Vendor form for the approval of the Cost Center Manager. A Cost Center Manager cannot initiate and approve a payment request or requisition. If a Cost Center Manager initiates a request for payment or requisition, the Cost Center Manager's supervisor must be the first approver (and others as required).

Purchases of goods, services, materials, supplies, leases or rentals must be approved as follows:

Purchase Orders: Purchase Orders (POs) are legally binding documents, and are generally used for goods, services, materials, supplies, leases or rentals. By law, the college's Treasurer has to certify that funds are available for a purchase, and this certification occurs through the requisition/purchase order process. It is very important to use the Colleague requisition process whenever possible as opposed to the Request for Payment to Outside Vendor form. Purchasing and Accounts Payable can be contacted for assistance if a vendor will not accept a purchase order.

A requisition in Colleague is the means by which a purchase order is generated. Requisitions for purchases of various amounts must be approved as noted in the chart below. The person who initiates a requisition is responsible for identifying the required approvers.

There are two types of purchase orders:

Purchase Orders (“Regular” PO) are used for one-time purchases that will be invoiced once.

Blanket Purchase Orders (BPO) are used for recurring purchases with a vendor over the fiscal year, i.e., there will be multiple invoices billed against the BPO.

	Required Approval to Commit to a Purchase
Up to \$24,999.99	Cost Center Manager (Chairpersons, Directors); <i>Note: Cost Center Manager cannot initiate and approve</i>
\$25,000 - \$49,999.99	Cost Center Manager and Cabinet Member who oversees the Division or their designee
\$50,000 and over (*)	Cost Center Manager, Cabinet Member who oversees the Division, and President*

(*) excludes approval by President for institutional expenditures that have been budgeted (such as utilities and payroll tax remittances) and purchases related to contracts that have been authorized by the President. In these instances, the Cabinet member is responsible for the authorization.

Please note, the amount that a Cost Center Manager can now approve has been increased to \$24,999.99. Anything over \$25,000 will require approvals as noted above as well as appropriate consideration of competitive bidding (or waiver of competitive bid) as discussed later in this *Signature Approval Protocol*.

There will be an increased emphasis on compliance with utilizing Colleague for purchasing. Many of the controls incorporated into the Colleague system and processes are diminished when paper documents are manually routed for processing and there is an increased risk of delays and loss of documentation. The Purchasing and Accounts Payable staff will work with anyone to insure that they have the appropriate training in the Colleague Purchasing module.

Each Cost Center Manager or designee is accountable for receiving and reviewing invoices against a regular PO (using the Purchase Order Receiving [PORC] mnemonic in Colleague) to insure that the goods/services that were received were delivered as expected, and have been appropriately billed.

BPOs must have individual invoices approved since the BPO is for recurring expenditures. Each invoice must be reviewed and approved to insure the receipt of goods and/or services billed. While a Cost Center Manager can delegate this review and approval to an Administrator,

Supervisor or his/her Administrative Assistant or Office Associate, s/he is accountable for it occurring responsibly.

Pre-paid Visa cards are also available to facilitate small dollar purchases and purchases from vendors that do not accept purchase orders. Procurement cards, or purchasing cards (P-Cards) are also being rolled out for more expanded use. Purchasing and Accounts Payable can be contacted for a Request Form for the P-Card; the Pre-paid Visa form is available on <http://intranet.csc.edu/forms.htm>.

Other Types of Expenditures:

A variety of expenditures have additional or different approval protocols. Below are some of the more common expenditure categories that require special handling:

Contracts – By College Procedure, contracts for purchases of goods, services, materials, supplies, leases or rentals require two signatures, and can only be signed by Cabinet members (or their designee) and direct reports of Cabinet members. Any contract that exceeds \$50,000 in expenditures must be signed by a Cabinet member and the President.

Contracts unrelated to purchasing goods or services that do not result in an expenditure of college funds or otherwise bind the college financially but create other legal obligations, such as clinical affiliations and other partnerships, must be signed by a Cabinet member (or their designee). Signatures on renewals of such existing contracts or agreements can be delegated to a Cabinet designee (an Administrator).

Externally Funded Grants and Contracts – Expenditures for externally funded grants and contracts (typically, federal or state funded) require approval by the designated PI (Principal Investigator) on the grant minimally. PIs, who may be Project Coordinators, faculty, or other titles not meeting the definition of a cost center manager, will have full authority of a cost center manager. Approvals for purchases exceeding the cost center manager authority also apply for grant purchases per this Protocol. Required approvals for these grant and contract proposals, and the related grant agreements and contracts subsequently executed should be coordinated with the Grants Office.

Food and Beverage – must be pre-approved by the Cabinet member who oversees the Division, or their designee.

Employee Travel – must be pre-approved by the Cabinet member who oversees the Division, or their designee. International travel must also be pre-approved by the Cabinet member and President.

Capital Equipment – Guidance is provided annually for the capital equipment budget process and other capital equipment purchases. Items approved through the Cabinet level are authorized for purchase. Each Cabinet member is responsible for establishing with Purchasing and Accounts Payable how s/he would like to handle approvals of requisitions for items that have been pre-approved and budgeted. Minimally, approval by a Cost Center Manager is

required for the requisition. For capital equipment purchased with operating funds, staff in Budget and Financial Planning (Kim Eckhart) should be contacted.

Internal Vendors – Compliance with required approvals by Cost Center Managers and/or Cabinet members also applies to purchases from internal vendors such as the Bookstore; Print and Copy Services; non-credit classes and seminars; and office supplies through the College’s approved supplier, OfficeMax.

Competitive Bid Processes – Bid requirements established in the college’s Purchasing Procedure 9-03 (H) (8) and related procedures must be observed. Competitive bid limits are \$25,000 for goods and \$50,000 for services. Approval authority limits have increased in this Purchasing Authorization and Signature Approval Protocol to more closely align with bid limits. Request for waiver of competitive bidding forms must be approved by a Cabinet member or their designee, based on the waiver amount requested. Competitive bid limits may differ for expenditures related to grants; requirements specified in grant agreements, the OMB Super Circular, or other regulations should be followed for these grants.

Group Purchasing Organizations (GPOs) – Bidding for many items purchased by the College has already been conducted in a cooperative environment or is exempted in the *Ohio Revised Code*. The College is a member of five (5) group purchasing organizations which use the purchasing power of its members to leverage favorable pricing and terms. College representatives can utilize the pricing and terms offered by these GPOs for any of their departmental purchases, even in cases below the competitive bid limits. A complete list of the group purchasing organizations and instructions will be distributed separately.

Exceptions to this authorization protocol must be approved by the Cabinet member who oversees the Division and communicated to Purchasing and Accounts Payable in writing.

Assistance

Our Procurement and College Services team is always available to assist in the application of this *Protocol*. Please do not hesitate to contact Brad Farmer or members of his team if you have questions.

Brad Farmer	x2787
Darrin Albaugh	x2641
Karen Miller	x2443
Cindy Klimek	x5600

c: Darrin Albaugh, Supervisor, Purchasing and Accounts Payable
Jan Ellis, Director II/Deputy Treasurer, Office of the Controller
Bradley A. Farmer, Director, Procurement and College Services
Kelly Weir, Director II, Resource Planning and Strategic Support