



# Purchasing Strategy & Authorization Process

School of Public Health  
Updated as of April 2017

# Purchasing Strategy & Authorization Process | Table of Contents

|                                     |     |
|-------------------------------------|-----|
| Purchasing components               | 3   |
| Methodology for successful purchase | 4   |
| Who needs to approve what?          | 5-7 |
| What documentation is required?     | 8   |
| How do I submit documentation?      | 9   |

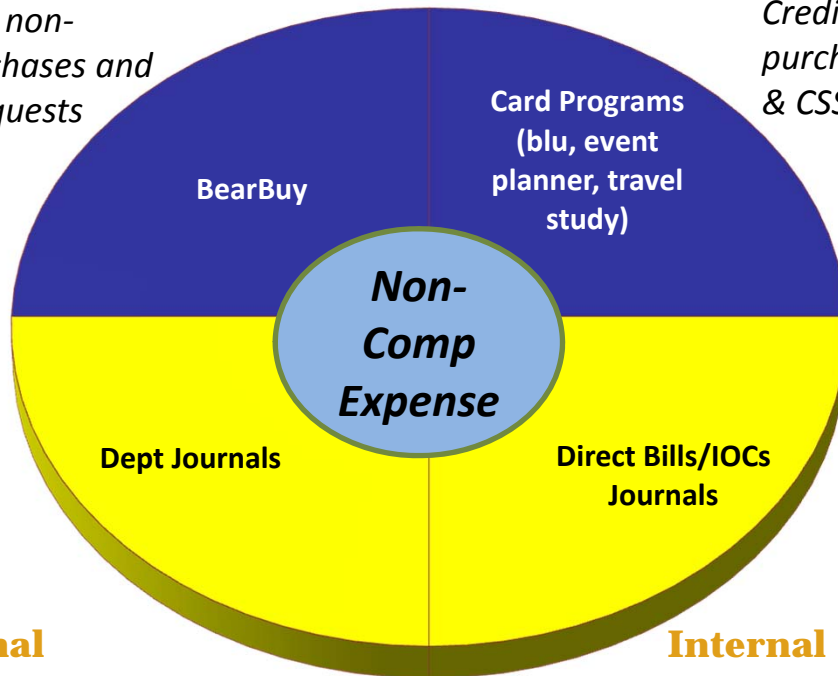
# Purchasing Strategy | Components

## External

Catalog and non-catalog purchases and payment requests

## External

Credit card purchases by SPH & CSS cardholders



## Internal

Transferring expense from one dept id to another

## Internal

Billings from other campus depts such as IST, Mail, Moving Svcs, etc.

### Core UCB Processes e.g.,

1. **General Ledger** – post as expenses
2. **SAS 115 Review** – monthly monitoring
3. **Forecast** – project remainder of year
4. **Budget** – prepare expected expenses for next one to two years

### Principles of Purchasing

**Responsible:** only make purchases that meet program/unit objectives

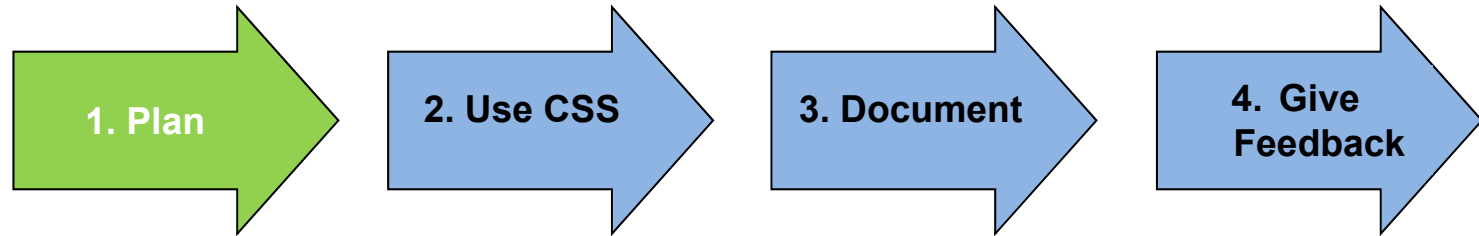
**Good Stewards:** strive to obtain the best value, considering quality and purpose in addition to price, for each purchase

**Equitable:** grant all competitive suppliers equal consideration

**Accountable:** purchase goods/ services within budget and include separation of duties in purchase

**Honest:** avoid any misrepresentation to suppliers & demand the same in return

# Purchasing Strategy | Methodology for Successful Purchase



| Key Steps | 1. Identify Need | 2. Identify Method | 3. Document Purchase | 4. Provide Improvement Feedback |
|-----------|------------------|--------------------|----------------------|---------------------------------|
|-----------|------------------|--------------------|----------------------|---------------------------------|

- As much as possible plan ahead
- Establish regular communication means to anticipate purchasing needs
- Review your unit’s budget, in particular, projected expenses
- Understand criticality of purchase (how purchase links to program/unit goals) and turnaround time (both vendor and unit requirements)

- CSS is our purchasing function
- Partner with CSS on the purchase of all external goods and services
- Understand CSS turnaround time
- Only use card programs or personal reimbursement on an exception basis

- Obtain written authorization for purchase from your unit’s Authorizer
- Upload any needed documents to support the purchase
- Document receiving of good/service

- If you have ideas on how to improve the purchasing process communicate these ideas to the finance unit

# Purchasing/Payment Request Authorization | Who Needs to Approve What?

| For Low Value (<\$5k)  | Unit                             | School |           | University          | OP                         |
|--|----------------------------------|--------|-----------|---------------------|----------------------------|
|  | Authorizer<br>(by Dept Id or PI) | CFO    | Dean      | EVCP/<br>Chancellor | Office of the<br>President |
| <b>After-the-fact Payment Requests for Services</b> where vendor did not have insurance during the period when service provided  |                                  |        |           |                     |                            |
| <b>Cash Donation</b> included as part of the meal or registration fee for a nonprofit community or charitable fundraising event - <i>All other cash donations not allowed</i>  |                                  |        |           |                     |                            |
| <b>Events with Food Costs</b> that <u>exceed</u> the standard per person limit <sup>1</sup>  |                                  |        | Up to 50% | >=50% & <200%       | >=200%                     |
| <b>Entertainment of Family Members</b> of a host or a guest  |                                  |        |           |                     |                            |
| <b>Tickets</b> to Entertainment or Sporting Events   |                                  |        |           |                     |                            |
| Faculty or staff picnics, holiday parties, or any event that falls under the event type " <b>Employee Morale-Building Activities</b> " (Note: Reimbursement is <u>not</u> permitted for birthdays, weddings, births of children, anniversaries, farewell gatherings [other than retirement for 5+ yrs of svc] or any other occasions of a personal nature) |                                  |        |           |                     |                            |
| <b>Honoraria</b>   |                                  |        |           |                     |                            |
| <ul style="list-style-type: none"> <li>Non-UC Employee</li> <li>UC-Employee (Academic only); max of \$1,500; paid thru payroll</li> </ul>  |                                  |        |           |                     |                            |

= pre-approval required.

= not preferred, but circumstances may dictate necessity.

<sup>1</sup>Per person limits in effect as of Jan 2016: breakfast \$27, lunch \$47, dinner \$81, light refreshment \$19. These amounts include cost of food/beverages, labor, sales tax, service & delivery charges. No separate approval is required for alcohol.

# Purchasing/Payment Request Authorization | Who Needs to Approve What?

| For Low Value (<\$5k)  | Unit                             | School           |                  | University          | OP                         |
|--|----------------------------------|------------------|------------------|---------------------|----------------------------|
|  | Authorizer<br>(by Dept Id or PI) | CFO              | Dean             | EVCP/<br>Chancellor | Office of the<br>President |
| <b>Membership</b> <ul style="list-style-type: none"> <li>Professional</li> <li>Social</li> </ul>   | ●<br>●                           | ●<br>○           | ○<br>●           | ○<br>●              | ○<br>○                     |
| <b>Non-Cash Awards for Employees</b> <ul style="list-style-type: none"> <li>Employee Recognition not to exceed \$75</li> <li>Employee Length of Service not to exceed \$400</li> <li>Sympathy Gifts</li> </ul>   | ●<br>●<br>●                      | ●<br>●<br>●      | ○<br>○<br>○      | ○<br>○<br>○         | ○<br>○<br>○                |
| <b>Non-Cash Gifts to Non-Employees</b> <ul style="list-style-type: none"> <li>Promotional items &lt;=\$75 per indiv per calendar yr</li> <li>Appreciation, recognition or incentive &lt;\$600 per indiv per cal yr</li> <li>Sympathy &lt;=\$200</li> </ul>   | ●<br>●<br>●                      | ●<br>●<br>●      | ○<br>○<br>○      | ○<br>○<br>○         | ○<br>○<br>○                |
| <b>Travel and Entertainment</b> <ul style="list-style-type: none"> <li>Meal costs <u>in excess</u> of the standard per person limit<sup>1</sup></li> <li>Moving costs for new employees in <u>eligible</u> positions</li> <li>Business class or first class air travel</li> <li>Travel Advances</li> </ul> | ■<br>●<br>●<br>●                 | ○<br>○<br>○<br>● | ■<br>●<br>○<br>○ | ○<br>○<br>○<br>○    | ○<br>○<br>○<br>○           |
| <b>All Other Purchasing/ Payment Requests</b>  | ●                                | ○                | ○                | ○                   | ○                          |

● = **pre-approval** required.

■ = **not preferred**, but circumstances may dictate necessity.

<sup>1</sup>Per person limits in effect as of Jan 2016: breakfast \$27, lunch \$47, dinner \$81, light refreshment \$19. These amounts include cost of food/beverages, labor, sales tax, service & delivery charges. *No separate approval is required for alcohol.*

## Purchasing/Payment Request Authorization | Who Needs to Approve What?

|  | Unit                | School       |             | University          | OP                      |
|--|---------------------|--------------|-------------|---------------------|-------------------------|
| For High Value ( $\geq$ \$5k) and <u>Not</u> Contract or Grant   | Division Head or PI | CFO          | Dean        | EVCP/<br>Chancellor | Office of the President |
| <b>All Purchasing &amp; Payment Requests <math>\geq</math>\$5k</b> <ul style="list-style-type: none"> <li>Additional levels of Supply Chain and Campus approval required based on dollar amounts and risk levels.</li> </ul> | ●                   | ●<br><=\$50k | ●<br>>\$50k | ○                   | ○                       |

● = *pre-approval* required.

## Purchasing/Payment Requests | What Documentation is Required?

### For Payment Requests...

- See Controller's website:  
<http://controller.berkeley.edu/financial-operations/accounts-payable/payment-request-cost-types-and-required-supporting-documents>
- Specifically for Honoraria, communication (email or letter) with Honorarium recipients prior to event should include clear understanding of participation expectation (e.g., *giving 5 two-hour lectures in PH xxx next semester or participating as a panelist in a two-hour Session x on May 4, 2015*). Also, the honorarium amount should be included in this communication (e.g., *we will give you an honorarium of \$1,000 for the 5 lectures*).

### For Purchase of Goods/Services...

- Go to the address below and identify which form you need for the purchase. Navigate to the form in BearBuy to find the documentation requirements for the purchase.  
[http://supplychain.berkeley.edu/sites/default/files/forms\\_matrix\\_110514.pdf](http://supplychain.berkeley.edu/sites/default/files/forms_matrix_110514.pdf)



# Purchasing/Payment Requests Flow | How Do I Submit Documentation?

## Steps for Pre-Approval

- 1 **Prior to purchase**, enter purchase/payment request into BearBuy and include available pre-purchase information
- 2 Assign cart to Dept Id or PI Authorizer (for a list of authorizers by dept id see <http://sph.berkeley.edu/sites/default/files/forms-sph-purch-Authorization-List.pdf> or see <http://sph.berkeley.edu/sites/default/files/forms-sph-purch-Delegation-of-Authority-Contracts-and-Grants.pdf> for authorizer by PI)
- 3 If approval beyond Dept Id or PI Authorizer (e.g., SPH CFO, Dean, EVCP, etc.) is required, Dept Id or PI Authorizer can assign the cart to the SPH Finance Unit Analyst assigned to your unit (Nina Weaver or Rick Mena)
- 4 SPH Finance Unit Analyst will review cart and assign the cart to CFO or submit request to Dean for approval
- 5 CFO will add comment approving cart or SPH Finance Unit Analyst will attach Dean's approval to the cart
- 6 CFO or Analyst will assign cart back to the Dept Id/PI Authorizer for submittal to CSS
- 7 Dept Id/PI Authorizer can then submit cart to CSS for purchase/payment request

