

Purchasing Procedures

for

*The University of Texas Health Science Center at
Houston*

Debarment	3
Unauthorized Purchases	5
Buycard Procedure	6
Services Agreements	13
Business Consulting	14
Lease Purchase, Lease with Purchase Option and Installment Purchases of Equipment	17
Purchases from Employees	18
Photocopying Equipment and Multi-Functional Printing Devices	18
Relocation/Moving of Household Goods	20
Closing Purchase Orders	21

Debarment

The University of Texas Health Science Center at Houston (“UTHSC-H”) cannot conduct business with suppliers who have been “debarred” by certain State and Federal agencies. There are multiple reasons for why a supplier may be debarred.

Procurement Services verifies a supplier’s debarment status upon setting up a new supplier and upon issuing a purchase order greater than \$25,000. A process is in place to randomly re-verify a sample of suppliers periodically.

Suppliers are required to certify that they are not debarred from any of the following federal and/or state agencies:

1. Debarment, exclusion, or other ineligibility for participation in federally funded health care programs or receipt of federal funds by querying the List of Excluded Individuals/Entities maintained by the Department of Health and Human Services, Office of the Inspector General <http://exclusions.oig.hhs.gov/>;
2. Debarment and/or exclusion from federal procurement programs by querying the Excluded Parties List System (the electronic version of the Lists of Parties Excluded from Federal Procurement and Non-Procurement Programs) maintained by the General Services Administration <http://www.epls.gov/epls/search.do>;
3. Designation as a Specially Designated National by querying the Specially Designated Nationals List maintained by the United States Department of the Treasury, Office of Foreign Assets Control <http://www.treas.gov/offices/eotffc/ofac/sdn/>;
4. Suspension and/or exclusion by the State of Texas Comptroller of Public Accounts by querying the Suspended Vendor List and the Debarred Vendor List maintained by the Window on State Government http://www.window.state.tx.us/procurement/prog/vendor_performance/debarred/;
5. Verification of good standing by querying the Franchise Tax Certificate of Account Status information maintained by the Texas Comptroller of Public Accounts <http://ecpa.cpa.state.tx.us/coa/Index.html>

A supplier who is known to be debarred at time of entry into the vendor database **will not** be entered. A supplier who is subsequently found to be debarred will be **inactivated** in the system. The supplier will not be reactivated until assurance has been received from the debarring agency that the supplier is now in good standing.

It is the responsibility of the supplier to resolve any issue that has led to debarment. UTHSC-H employees **may not** directly contact state or federal agencies on behalf of a debarred supplier. Direct inquiries with these agencies for debarment status verification may only be made by designated managers within Finance and Business Services.

Sole Source

Sole Source purchases are purchases made without competitive procurement because circumstances exist that preclude competition. Generally, sole source purchases occur when the procurement of a good or service can be made only from one source of supply or when the procurement of a particular brand name or product is **required**. Since sole source purchases eliminate competition, UTHSC-H carefully regulates them and requires that they be clearly identified within the purchasing process.

UTHSC-H makes sole source purchases only when detailed justification exists. The requestor is responsible for providing a detailed, reasonable, and defensible justification of sole source purchases. The AVP, Procurement, or his or her designee, is responsible for approving the justification.

Procedure

The department is responsible for completing Section 1 & 2 of the Sole Source Justification form (<http://buy.uth.tmc.edu/Forms/SOLE%20SOURCE3.pdf>)

Completing Section 1 provides explanations to the following three issues:

- An explanation of the need for the specification, e.g. which part or parts of the stated specification restricts the requisition to one manufacturer or provider.
- The reason competing products are not satisfactory, e.g. a justification for the proprietary purchase.
- The specific impact on the Department/Research/Patients.

In addition the individual requesting the consideration of Sole Source must complete and sign Section 2, "Conflict of Interest" Statement providing assurance that their recommendation has not been inappropriately influenced.

The Purchasing Department buyer who is processing the request will research the request to validate that justification is appropriate and correct. The buyer will document the due diligence that was performed to support his or her approval then sign and date the buyer approval in Section 3.

The buyer will discuss the recommendation with a manager in the Purchasing Department with delegated authority for the amount of the purchase and have the manager complete the approval in Section 4.

All approvals are required to be completed prior to issuance of a purchase order.

Requests for sole source justification that cannot be supported will be denied and returned to the initiating department.

On a weekly basis the AVP, Procurement will review a sample of approved sole source justifications to validate that the process is being followed correctly.

On a monthly basis the sole source justification process and issues will be discussed in regularly scheduled meetings of Purchasing Department buyers.

Unauthorized Purchases

The acquisition of a good or service that has not been sourced through the appropriate mechanism for the type and dollar value of purchase is considered to be an unauthorized purchase. Purchase of goods and services should be made using a purchase order or a BuyCard transaction. *Any purchase outside the UTHSC-H'S Procurement policies and procedure may become the sole liability of the individual making the purchase.*

Request for payments for unauthorized purchases are made through the use of a Non-PO Voucher. Departmental personnel requesting payment must complete and submit an Unauthorized Purchase Justification form (<http://buy.uth.tmc.edu/Forms/UPJustification.pdf>) and the Reaffirmation Agreement (<http://buy.uth.tmc.edu/Forms/ReAffirmationAgreement.pdf>) from the Procurement Services web site.

Once completed, the signed forms and the request for payment, along with all necessary support documentation is forwarded to the Disbursement Team for handling.

Before payment can be made, the AVP, Procurement will approve or deny the request based upon the review of all relevant information. Continued non-compliance of UTHSC-H's Procurement policies and procedures by an individual or a department will be reported to the Office of Legal Affairs and Institutional Compliance.

Buycard Procedure

The UTHSC-H BuyCard provides faculty & staff with an alternate method to pay for purchases of goods and services that are not available through other purchasing methods such as the eProcurement catalog. The UTHSC-H uses a MasterCard from JP Morgan Chase Bank. After approval of the [BuyCard Account Application](#), the card will be issued and the cardholder will receive instructions for its use and the charge limits that are assigned to the account.

The card can be used to make purchases from any supplier who has an active vendor code within the financial system. It is the cardholder's responsibility to make sure that the transaction is with an approved vendor. The card can be used at a supplier's place of business, over the telephone or on a web site. The cardholder should exercise appropriate measures to assure that the card and account number are not lost or otherwise compromised. The cardholder must avoid entering into contract terms or other conditions when making purchases on web sites.

Restricted Items

The single purchase limit per transaction, per supplier, per day is a maximum of \$2,000. Splitting an order using separate transactions to circumvent the daily limit is a compliance violation and may lead to cancellation of cardholder privileges.

*The BuyCard **may not** be used for any personal purchases under any circumstances.*

The BuyCard is **not** an authorized method for payment of travel and entertainment expenses.

A cardholder **cannot** make purchases of items that appear on the [List of Restricted Items](#).

Chemical Purchases

Non-radioactive Materials:

The BuyCard can be used for purchase of all non-radioactive laboratory chemicals. In order to assure compliance please take these steps:

- When entering the POS (Point of Sale) requisition into the financial management system, be very specific in the item description to include the chemical's name, CAS # (Chemical Abstract Service number), and quantity.
- Select the appropriate item category from the item category list. Make sure the requisition includes the name of the individual who will be receiving the order along with the building and room number. (The following *Ship To* address should be used for non-radioactive material orders):

University of Texas HSC-Houston
Radiation Safety Division
6431 Fannin, JFB G.752
Houston, TX 77030
Attn: (*Authorized User*)

- The Authorized User must notify the Radiation Safety Division of the intended order or receipt. This is accomplished by completing an order approval form on the electronic mail system or facsimile copy and sending it to the Radiation Safety Division. For additional information, refer to Environmental Health & Safety's web site.
<http://www.uth.tmc.edu/safety/index.htm>

Radioactive Materials:

According to Texas and Federal regulations, **the UTHSC-H Radiation Safety Program must approve all orders for radioactive materials before any order is submitted to the vendor.** To assist in this process, the Radiation Safety Program has on the website, a form RADMAT that is to be submitted prior to ordering radioactive material (<http://is.hsc.uth.tmc.edu/css/forms/radmat.html>).

All e-mails are monitored during working hours and UTHSC-H Radiation Safety will respond via e-mail as soon as the order of radioactive material is verified to be within the Principal Investigator's permitted limits.

The information required by the RADMAT program is:

- | | |
|--------------------------------|--|
| • Requestor Name: | Person ordering radioactive material |
| • Date of purchase: | 02/20/2008 |
| • Requestor email address: | Necessary for reply |
| • Authorized User's Name: | Name of PI (Principal Investigator, ie John Smith) |
| • Authorized User's Number: | Issued by Radiation Safety after Rad Safety Committee approval |
| • Radionuclide: | P-32, 3H, etc (See list below) |
| • Compound: | ATP, DCTP, glucose, etc |
| • Number of vials or units: | How many |
| • Activity (mCi) per unit: | 1 mCi, 0.250 mCi, etc |
| • Total activity per shipment: | number X activity |
| • Vendor Name: | Perkin Elmer, ARC, etc (See list below) |
| • Contact person: | Who can we call to pick up the radioactive material (MSB) or contact for delivery (other Buildings)? |

- Contact person's phone number: 713-500-xxxx

Additionally, the requestor must verify that the shipping address for the order is correct:

UTHSCH/Radiation Safety
6431 Fannin, CYF G. 102
Houston, TX 77030
Attn: (Principal Investigator)
713-500-5840

About 20 companies can legally sell radioactive materials to UTHSC-H. The UTHSC-H is currently doing business with the following companies (the asterisk indicates our largest supplier of radioactive materials):

- American Radio-labeled Chemicals
- Cayman Chemical
- GE Healthcare
- ICN
- Linco Research
- *MP Biomedical
- *Perkin Elmer
- Sigma Chemicals

The following is a listing of radioactive materials. The asterisk indicates our most frequently ordered isotopes at UTHSC-H. Please understand that they can show up in the item description in several forms, for example Phosphorus 32 can be listed as 32P or P32 (example from an order: BLU513H250UC 32P dCTP GREEN 250UCI; so that you have isotope, compound, activity all of which are necessary for the order to be complete):

*C-14	Carbon
Ca-45	Calcium
Cd-109	Cadmium
Ce-141	Cerium
Cl-36	Chlorine
Co-57	Cobalt
Co-60	Cobalt
Cr-51	Chromium
Cs-137	Cesium
*H-3	Hydrogen
*I-125	Iodine
I-129	Iodine
Mn-54	Manganese
Na-22	Sodium
Nb-63	Niobium
Ni-63	Nickel
*P-32	Phosphorus
P-33	Phosphorus

Pm-147	Promethium
*S-35	Sulfur
Se-46	Selenium
Sr-82	Strontium
Sr-90	Strontium
Tc-99	Technitium
*Tritium	Hydrogen (tritiated hydrogen)

Procedures

Requisition Entry:

All BuyCard transactions must be entered as POS requisitions in the eProcurement module of the financial management system. The State of Texas mandates that all orders placed on any BuyCard be entered immediately. Entry of the requisition will pre-encumber the funds. Once the requisition is approved a purchase order will be created which will encumber the funds to cover this transaction. Entry of the requisition must be a complete and accurate description of each item purchased.

Reconciliation:

The cardholder will be notified via email of an on-line statement of charges for reconciliation. Files are loaded from the bank on a daily basis. All statements should be reconciled within **three days** of receiving this notification. On the 15th day of each month, all outstanding charges that have not been reconciled by the cardholder will be automatically reconciled to the cardholder's default account.

IMPORTANT: MATCHING THE ONLINE STATEMENT TO THE INDIVIDUAL PURCHASE ORDER LINES IN THE FINANCIAL MANAGEMENT SYSTEM IS NECESSARY TO DISENCUMBER THE FUNDS AND SUBSEQUENTLY CLOSE THE ASSOCIATED PURCHASE ORDER. IT IS THE CARDHOLDER'S RESPONSIBILITY TO MAKE SURE THAT ENCUMBRANCE BALANCES ON POS TRANSACTIONS ARE MONITORED AND MANAGED CORRECTLY.

Use of Proxy:

The financial system has functionality that allows the cardholder to delegate another individual to "Act as a Proxy" for the purpose of entering requisitions and reconciliation of the online statements. After the cardholder makes a purchase, the receipts (and any other supporting documentation) should be given immediately to the delegated individual for POS requisition entry. This feature is especially useful for cardholders who are physicians, researchers and other non-administrative personnel. However, it remains the cardholder's responsibility to assure that requisition entry and statement reconciliation is taking place properly.

Compliance Monitoring:

The BuyCard Team monitors bank statements on a daily basis and cardholder activity on a routine basis for compliance with program requirements. The compliance reviews monitor for restricted charges, splitting of charges over \$2,000, lack of requisition entry, missing receipts/statements, and improper statement reconciliation.

A cardholder who is out of compliance will be notified by the BuyCard Team and is subject to probation, suspension or revocation of their cardholder privileges. Accounts that have been placed on probation and are subject to possible suspension or revocation are reviewed periodically to determine that issues with compliance have been resolved.

Questions regarding compliance probation, suspension or revocation may be directed to Rebecca C. Chapa, Compliance Coordinator (713-500-8182) or Lori Hill, Program Coordinator (713-500-4715).

Record Keeping:

In an effort to ensure proper card usage, certain supporting documentation for each cardholder is required. A credit card statement will be mailed to each cardholder during the months that they make charges. If no charges are made during a billing cycle, no statement is mailed. The following items should be attached to each JP Morgan Chase Bank monthly statement.

- Sales receipts with pricing
- Packing slip: and
- transaction slips

The above documentation should be maintained in the department. The cardholder and another approving official within the department should sign each statement. **Supporting documentation for BuyCard transactions must be maintained by the department in accordance with the UTHSC-H Records Retention Schedule.**

Card Termination:

Cards that are issued, but not used present a risk of fraud and abuse to the UTHSC-H. If a cardholder has not used the BuyCard for six consecutive billing cycles (months), the card may be revoked at the discretion of the BuyCard Program Coordinator. The cardholder will be contacted in an effort to determine the explanation for non-use of this privilege.

When a cardholder terminates employment with the UTHSC-H, the department is obligated to reclaim the BuyCard and return it to the BuyCard Program Administrator prior to the employee's termination date.

Cardholder & Department Responsibility

Cardholder:

The cardholder is the ONLY individual authorized to use their card.

The cardholder is responsible for signing the credit card.

The cardholder must understand the responsibilities they are assuming by having a card issued to them and accepting those responsibilities.

The cardholder will be held responsible for any personal charges made to the card. Restitution and a full explanation are immediately required.

The cardholder is responsible for immediately contacting the BuyCard Team in order to dispute any fraudulent or inappropriate charges that are made to the card.

The cardholder is responsible for contacting JP Morgan Chase Bank in order to cancel a lost or stolen credit card. The cardholder is also responsible for contacting the BuyCard Team and his/her department business manager in the event of a lost or stolen card.

The cardholder is responsible for attempting to resolve any disputes with a supplier. If resolution is not possible, it should be reported to JP Morgan Chase Bank, the BuyCard Team and the department's business manager.

Department Responsibility:

Each department's chair is responsible for assuring proper administration of all BuyCard issued to employees of that department.

The department's chief business officer is responsible for ensuring that cardholder statements are properly reconciled each month and that charges have been reviewed and signed-off on the statement by a third party.

Report a Stolen Card

The cardholder should notify JP Morgan Chase Bank immediately if the BuyCard is lost or stolen by calling 1-800-890-0669. The cardholder should also notify their department's business manager and the BuyCard Program Coordinator.

Upon notification, the bank will immediately suspend the BuyCard and issue a new card. The new card will be sent to the BuyCard Program Coordinator who will make the new card available to the cardholder.

IMPORTANT: It is imperative that the cardholder contact the bank immediately to suspend the card if it is lost or stolen. The cardholder is responsible for all charges made on the card until it has been cancelled at JP Morgan Chase Bank.

Dispute a Transaction

The cardholder may dispute any charge that appears on the monthly statement. If there is a charge that is not recognized or appears to be incorrect, the cardholder should first contact the supplier and attempt to resolve the issue. If an agreement cannot be reached with the supplier, simply complete the "[Charge Dispute Form](#)" and fax it to the BuyCard Team at 713-500-4710. A charge may be disputed **up to 60 days** from the bank billing date.

Documentation of the dispute should also go to the department's business manager and a copy should be maintained with the credit card statement. Please remember, Procurement Services is the cardholder's partner in helping the cardholder manage the credit card and is available to assist in any dispute resolution.

Services Agreements

Services Agreement templates are to be completed by the requestor and sent to Procurement Services. If the request includes justification of a sole supplier, a completed Sole Source Purchase Request form must also be completed. Procurement Services will review and finalize the content of the agreement and send to the contractor for signature. **No work** is to begin until the Agreement is signed and dated by both parties. Only a representative of the Purchasing Department can sign the contract on behalf of UTHSC-H. The Agreement will be considered effective when the last party signs and dates the Agreement. These forms can be obtained from the Procurement Services website:

<http://buy.uth.tmc.edu/forms.htm>

UTHSC-H **will not** be responsible for any payments for services performed or products delivered by the Contractor prior to the effective date of the Agreement.

Things to consider when initiating the services agreements:

- 1) Will the Contractor have access to patient information or any other information that may be regulated under HIPAA? If yes, has a Business Associate Agreement been completed? (Procurement Services can provide this to you if needed)
- 2) Scope of Work - Describe the work to be performed and deliverables and their due date from the Contractor.
- 3) Rate and frequency of payment.
- 4) Total contract value.
- 5) Identify who will be approving invoices for this work.
- 6) If the Contractor is not a corporation and is an individual, the 20 point IRS questionnaire must be completed as well and submitted to Procurement Services.
Link to forms:
<http://buy.uth.tmc.edu/Forms/20%20Factor%20Common%20Law%20test.pdf>

Business Consulting

Definition – Business Consulting is the service of studying or advising UTHSC-H under a contract that does not involve the traditional relationship or employer and employee. For more information on what types of services are considered consulting services, refer to UTS128 – Consulting Contracts Policy and Procedure Guide.

Departments requiring consulting services should contact Procurement Services with documentation of scope of work to be performed and anticipated costs for review and determination if such consulting is to be categorized as business consulting. The head of Procurement will review requests for consulting contracts prior to initiating the appropriate process.

Business Consulting Services contracts are processed in accordance with Subchapter B, Chapter 2254, Government Code, and UTS128 – Consulting Contracts Policy and Procedure Guide.

PROCEDURES FOR BUSINESS CONSULTING

Business Consulting Contracts Exceeding \$14,000 per Fiscal Year

Procurement Services will provide written notice to the Legislative Budget Board of a contract for consulting services if the amount of the contract, including an amendment, modification, renewal or extension of the contract exceeds \$14,000. Notice will be provided no later than the 10th day after the date the UTHSC-H enters into the contract.

Business Consulting Contracts Exceeding \$25,000 per Fiscal Year

Finding of Fact, Notices and Other Required Filings

NOTE: *Procurement Services will facilitate the preparation of all forms, approvals, and postings required for Business Consulting Services Contracts. This process typically will require ninety (90) days to complete from receipt of scope of work from the requesting department to execution of a contract.*

Required Steps

STEP 1: Obtaining a Finding of Fact from the President of the UTHSC-H

The Finding of Fact is a letter from the President of UTHSC-H attesting to the need for this Business Consulting Services Contract. Procurement Services will provide the requesting department a template to complete and return, the AVP of Procurement Services will then facilitate obtaining the President's signature.

STEP 2: Approval by Executive Vice Chancellor

After obtaining the Finding of Fact from the President of UTHSCH's need for a Business Consulting Services Contract, Procurement Services will seek approval from the UT System Executive Vice Chancellor ("EVC") for Health Affairs.

STEP 3: Notices to Governor & Legislative Budget Board

After EVC approval of the need for a Business Consulting Services Contract, Procurement Services will provide the Governor's Office of Budget and Planning and the Legislative Budget Board (LBB) with written notices of UTHSC-H's intent to contract with a consultant under a Major Consulting Services Contract. A Major Consulting Services Contract has a value greater than \$14,000.

STEP 4: Publish an Invitation for Offers in the *Texas Register*

After completing Step 3, Procurement Services will have an invitation published in the *Texas Register* for consultants to provide offers to perform the Major Consulting Services ("*Invitation for Offers.*") for a minimum of 30 days from the date delivered to the Secretary of State for publication in the Texas Register.

STEP 5: Notice to the LBB After Entering Into Contract

Procurement Services will provide written notice to the LBB after entering into a consulting services contract with an amount > \$14,000 and will file the notice with the LBB no later than the 10th day after the date UTHSC-H enters into such a consulting services contract.

STEP 6: Publish *Texas Register* Notice After Entering Into Contract

Finally, within 20 days after entering into a Business Consulting Services Contract, Procurement Services will post a notice in the *Texas Register* describing the contract.

Consulting Contracts less than \$25,000 per Fiscal Year

Consultant contracts that are less than \$25,000 are not subject to the approval and advertisement requirements. These contracts are, however, subject to review by UT System Office of General Counsel regardless of value.

Consultant contracts that originate as less than \$25,000 per fiscal year may not be amended to allow payments in excess of \$25,000 per fiscal year without prior compliance with all notification and advertisement requirements.

Archives

Refer to HOOP Policy 13.36 Purchase of Consultant Services for departmental responsibilities related to the archiving of documents, films, recordings, or reports of intangible results of the consultant service that are developed by the private consultant.

Lease Purchase, Lease with Purchase Option and Installment Purchases of Equipment

When a requesting department determines that a lease purchase, lease with purchase option, or installment purchase is justified, it must evaluate the cost of the lease or rental of needed equipment versus the purchase cost of the equipment. Using the calculation method stated above, when the total cost of lease or rental exceeds the purchase price by more than 40 percent, the request will be denied by Procurement Services.

If the requesting department determines that a lease purchase, lease with purchase option, or installment purchase is the most economical way to acquire the equipment, the department enters a requisition transaction in UTHSC-H's financial system detailing the requirements and providing justification for why this type of purchase is preferable to an outright purchase.

Procurement Services will review the request and the justification and process the purchase order in the same manner as it processes a purchase order for the purchase of goods and services. When a request requires the approval of the Texas Bond Review Board (in excess of \$250,000 or for a term longer than 5 years), time to process may be between 60 and 120 days. Competitive bidding is required not only for the equipment but also for the interest rates and financing of the equipment.

Some cases may require the UTHSC-H to sign a vendor's contract. In these cases, Procurement Services must have the contract reviewed by the Office of Legal Affairs, and Institutional Compliance (OLAIC) prior to its execution. In addition, the contract will be reviewed by Capital Assets Management (CAM) to determine if the lease should be categorized as a capital lease or an operating lease. See CAM handbook, <http://www.uth.tmc.edu/finance/cam/handbook2008.htm#sectu>.

The time frame within which this can occur varies, depending on the complexity of the contract and whether or not OLAIC must send the contract to the UT System Office of General Counsel (OGC) for review and approval. This time is in addition to the 60 to 120 days in cases of the Bond Review Board processing requirement. The contract cannot be fully executed with the vendor until these approvals have been secured and the approved copies have been received by Procurement Services.

Purchases from Employees

When a requesting department determines that the best source of supply for particular goods or services is a UTHSC-H employee, the following information must be provided to the President's executive designee for this purpose, the Executive Vice President, Chief Operating and Financial Officer ("EVPCOFO"):

- justification for use of the employee as a vendor; and
- documentation showing that the cost to purchase from the employee is less than the cost to purchase from any other known source.

The request will be approved or denied by the EVPCOFO.

When approvals have been secured, the requesting department will enter a requisition into the financial system referring to the approval. Documentation of the EVPCOFO's approval must be forwarded to Procurement before the requisition can be processed.

If Procurement Services identifies a requisition in the financial system and the vendor is known to be an employee, Procurement Services will apply a "hold" status to the requisition and inform the requesting department that the purchase cannot be made until the approval process outlined above is completed. If the approval is denied, Procurement Services will cancel the requisition.

Photocopying Equipment and Multi-Functional Printing Devices

Auxiliary Enterprises – Copy Service (Copy Service) places various types of photocopying equipment in convenient locations to meet the copying needs of departments within an area. Copy Service is responsible for maintaining, replacing and updating photocopying equipment.

To set up the service relationship with Copy Service, departments need to enter a requisition in the financial management system. This requisition will become an internal purchase order and encumbers an estimated amount of money to be expended during that fiscal year.

Charges to departments are processed from copier user code readings via an automated billing system that interfaces with the financial management system. Once a month, these charges will be collected and expenses will be recorded against the purchase order for the department.

Faculty and staff will not be reimbursed nor can departmental funds be obligated for reproduction costs incurred through an external vendor.

The purchase, lease or rental of multi-functional printing devices must be approved by Copy Service. Upon approval, the department enters a requisition and a purchase order will be issued to the vendor supplying the equipment. If the purchase is less than \$5,000 the department needs to keep the Copy Service approval with their documentation. If the purchase is greater than \$5,000 the approval should be forwarded to Procurement Services and will be maintained with their documentation of the transaction.

Lease purchase, lease with purchase option and installment purchases of equipment must be handled in accordance with [HOOP Policy 13.35](#) – Lease Purchase, Lease with Purchase Option and Installment Purchases.

Relocation/Moving of Household Goods

Expenses related to the relocation of a new faculty or staff member committed to by a department as part of the recruitment process may be processed in the following three (3) manners

1. Payments to third parties (outside vendors for moving) are to be handled through the Procurement process. The University has contracts with 3 relocation companies whereby a purchase order can be issued to any of the 3 contract vendors or their affiliates without competition, but we encourage obtaining quotes from multiple or all 3 for the best price.
2. If a faculty or staff member wants to use a non-contract vendor and does not wish to pay for the service and then be reimbursed, the decision for awarding the purchase order must be substantiated with two (2) additional competitive quotes that exceed the cost of the preferred vendor, so as to award to the lowest cost.
3. Direct reimbursement to the faculty or staff member for expenses incurred by and associated with the moving of household goods (storage fees are not allowable) should be processed as a Non-PO Voucher.

http://www.uth.tmc.edu/finance/ert/reloc_expense.htm

Closing Purchase Orders

Closing a purchase order followed by the budget check process will release any remaining encumbrances on that particular purchase order. Responsibility for closing purchases orders is the responsibility of the processing department that manages the financial system business unit designation as follows:

- Business Unit UTHSC – Procurement Services
- Business Unit UTINT - The appropriate Internal Service department
- Business Unit UTTVR - Employee Reimbursement Team

(Note: Business Unit designations within the Purchasing Module of the financial system allow for different types of purchase orders to follow different processing rules. Purchase Orders for each Business Unit contain the Business Unit Designation followed by a dash and a ten digit sequential number, i.e. UTHSC-00000259429.)

Please follow the following steps when closing a purchase order in Business Unit UTHSC:

1. Determine that the UTHSC purchase order is no longer needed and will not be invoiced further
2. Send an email to procurementservices@uth.tmc.edu with the following information:
 - a. Purchase order number
 - b. Requisition Origin
 - c. Buyer
3. A Procurement buyer will be assigned to close the purchase orders on your request
4. A nightly batch process in the financial system will run to budget check all closed purchase orders and release encumbered funds back to the available budget