



**Purchasing Policies and Procedures Manual**

**As of May 29, 2006**

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## **INTRODUCTION**

This Manual is designed to facilitate an understanding of NSCAD's purchasing policies and to explain the procedures which derive from them. Purchasing in accordance with the policies is the responsibility of the acquiring department acting under the direction and authority of the Vice President Finance. This Manual cannot be considered a definitive or exclusive account in all circumstances. When in doubt consult the College administration which must ensure that practices conform with authority delegated by the Board of Governors.

The policy statements contained in this Manual are intended for internal use and guidance only. Those wishing to release this Manual outside the College should do so only after consultation with the Vice President Finance.

It must be our common objective to expend funds for the purchase of supplies and services in such a manner as to obtain the maximum value for each dollar disbursed subject to and including the terms and conditions made by grantors and government agencies. This objective can be achieved through a competitive bidding process or by other forms of negotiation. As a general rule however, business will be placed with those firms and organizations offering the most favorable combination of quality, service and price.

If you have any questions concerning the contents of this Manual, or any suggestions for improving it, please address them to the Vice President Finance.

### **Purpose**

Since the purchase of materials and services at the College is second only to salaries as an expenditure, it is imperative that the College Community continues to strive for lower cost in every area of the College's purchasing operations. Purchasing is such an important activity that responsibility for buying materials and services must be assigned to people trained in negotiating cost reduction, cost avoidance and other purchasing techniques. The policies enunciated in this Manual are intended to provide the foundation and guidance for meeting this requirement.

### **Scope**

The Manual, together with the related purchasing documents, is intended to cover most of the eventualities which may arise in the various departments of the College.

### **Delegation to Departments**

Departments have been delegated the responsibility for providing for the purchase of materials and services on the understanding that such purchases will be of the quality and in the quantity required and can be delivered in the proper place at the proper time and at a competitive price.

In helping to achieve this goal, all employees of the College have a responsibility to become familiar with the authorities, controls and procedures that are set forth in this Manual and to abide by them.

It is important to note that the College does not have a central purchasing department. Purchasing and purchasing decisions are decentralized. Because of this, employees and departments throughout the College carry out the functions and responsibilities normally assigned to a central purchasing department.

Throughout this text "acquiring department" means a department that administers a budget and has been delegated the authority to acquire goods and services and the "requisitioner" is the departmental employee who represents the acquiring department in dealing with suppliers.

## **General**

To ensure that the best results are obtained, requisitioners should remain in close communication with supplier's representatives on behalf of their acquiring departments.

Any difficulties encountered with suppliers which cannot be resolved satisfactorily by the acquiring department should be brought to the attention of the Vice President Finance.

The College has followed the practice of equitable and fair treatment of suppliers, which includes prompt payment of accounts, speedy resolution of "misunderstandings" or "disagreements" and the avoidance of taking unfair advantage. Personal conduct and methods of doing business are important considerations in maintaining our reputation with the business community.

To enable the Business Office to pay accounts promptly, requests for payment must be properly documented and supported, where appropriate, with copies of purchase orders, original invoices and fully completed expense claims. Any questions about the adequacy of supporting documentation should be discussed with Accounts Payable in the Business Office at the time the request for payment is made.

As a matter of policy, the College does not make payments in advance and does not make payments in cash. Therefore, suppliers who are not prepared to extend credit terms to the College should be excluded from any competition.

For goods and services purchased under the authority of the MPHEC Alterations/Renovations (A&R) and capital equipment (Non Space), the procedures which have been set in place to ensure that purchasing meets the specified requirements should be consulted and followed.

For information on travel, please refer to the "Travel Expense Claim" form (available from the Business Office).

For information on purchasing, please refer to the section of this Manual entitled “Purchase Order Procedures”.

For information on the purchase of beer, wine and spirits refer to the section of this Manual entitled: “Wine & Beer License Compliance & Purchases”.

For information on budget overruns, please refer to the section entitled: “Policy Statement on budgetary Overruns” (this document also accompanies the yearly "Budget Request Form").

Note: There are several other situations for which procedures and forms relating to specific aspects of purchasing have been developed, such as customs clearance and the use of credit cards. Specific instructions on the procedures to be followed are distributed as required. Refer to Accounts Payable in the Business Office for forms and information.

### **Departmental Responsibilities**

Each department has the responsibility for the procurement, within its allotted budget, of all its materials and services including equipment. Each is responsible for providing the services for procurement and processing or for providing direction to others with the delegated authority to perform such services.

Each department has been delegated the authority to obligate the College and for making the final determination of the source of supply, the quantity (in the case of stock materials), delivery schedule and price negotiation except where others are particularly authorized by the Vice President Finance to do so. Such a decision by other than departmental personnel, however, will be made in full consultation with operating departments.

Each department is responsible for initiating and maintaining effective professional relationships with traditional suppliers and for developing contacts with alternatives.

All purchasing negotiations are expected to be conducted by the acquiring department or its delegated authority.

Department personnel are expected to purchase all materials and services at the lowest possible end cost, having due consideration for the guidelines governing quality, delivery and service.

The acquiring department must assume full authority, in consultation with the requisitioner, to ensure that quality considerations are reasonable in the circumstances and are in the best interest of the College.

In certain cases, the responsibility for purchasing remains with the central administration. Where applicable, these specific cases will be noted in separate policy statements (example A&R and Non Space purchases).

Legal documents or contracts requiring the signature of a signing officer of the College must in all cases be referred to the President or Vice President Finance.

The specific dollar limit on the amount that can be authorized by an acquiring departments is \$5,000.00. Amounts in excess of this limit must be referred to the Vice-President Finance & Administration for approval by a signing officer, which includes the Chair of the Board, Treasurer, President and Vice-President Finance & Administration.

## **PURCHASE ORDER PROCEDURES**

### **Scope**

Applies to all departments and activities in the College.

### **General**

Purchase orders are central to the purchasing, invoice and payment process for all non salary expenditures of money in the College. The Purchase Order form is the principal basis of approval to the Business Office for the payment of incoming invoices. Consequently forms must be completed for all expenditures (except where some other form of special authorization is in use). They are required to be complete as to information, accuracy, forwarded daily.

### **Policy**

The use of open purchase orders is not permitted.

Purchase orders are completed at the time the financial commitment is made and a copy is forwarded without delay (two days maximum).

Purchase orders are held in security by persons with departmental spending authority. Purchase orders are never distributed - used one at a time.

Suppliers are notified periodically that goods should not be shipped or released without a valid purchase order.

The Business Office reserves the right to withhold payment to a supplier where a purchase order has not been issued to the supplier.

Purchase orders may not be used for personal purchases. See the section entitled "Personal Purchases".

The Business Office will not process invoices without a matching purchases order.

Purchase orders form the basis for the accrual based accounting system along with the associated encumbrance reporting.

The Business Office maintains a formal signing authority list. Purchase orders will not be accepted for payment by persons not appearing on that list.

The Business Office reserves the right to ask for a purchase order as an addition to

a payment request on another type of form such as an honorarium request form or a travel reimbursement form.

Except in special circumstances, purchase orders are not accepted for cash advances.

Where a purchase order does not specify a good or service (such as a payment to an employee of the College) there must be a statement of purpose and use on the purchase order.

The College does not accept photo copies of invoice, receipts, or other supporting documentation. Payment request must be supported with original documentation.

Purchase orders must be properly completed as to:

- Account number
- Vendor
- Signing Authority
- Full details of purchase
- Tax
- Delivery
- Customs clearance cost
- Foreign exchange
- Date
- Any tax exemptions

Purchase orders are computer matched to the authorized department and therefore can not be used by different departments or personnel.

## **VENDOR RELATIONS**

### **Purpose**

To provide a policy concerning vendor relations.

### **Scope**

This policy applies to all purchase transactions.

### **Policy**

It is the policy of the College to maintain and practice the highest possible standards of business ethics professional courtesy and competence in all of our dealings. At all times applicable laws must be scrupulously observed. When dealing with suppliers and their representatives the following should be noted accord:

prompt and courteous reception, as well as fair and equal treatment to all supplier representatives;

provide equal opportunity for all to make price and specification quotation;

decline to take advantage of seller's errors, and show consideration for seller's difficulties by cooperating whenever possible;

avoid putting the supplier to unnecessary expense or inconvenience on returned materials;

explain as clearly and fully as possible to suppliers the reasons for rejection of their bids or proposals;

remain free from obligations to any supplier;

keep informed about new sources of supply methods, services and materials.

### **General**

The suppliers of goods and services to the College are an extension of its resources. It is the responsibility of all College employees to maintain good relations between the College and its traditional suppliers. Personal contact forms the basis for supplier cooperation with, and service to, the College and is an important dimension of our public relations.

## COMPETITIVE QUOTATIONS

### Scope

This policy applies to Goods, Services, and Construction and is applicable to all departments and levels of authority.

### General

Effective June, 1997 NSCAD is required to comply with the Provincial Government procurement process. This new policy will require that you comply with certain guidelines when purchasing goods and services in your department. You will be allowed to continue to use "Existing Procurement Practices" (see below) where the value is below a certain level. The threshold values have been set as follows:

Goods less than \$25,000.00  
Services less than \$50,000.00  
Construction less than \$100,000.00

It should be emphasized that these are the absolute upper levels permitted and that in all cases the policy will be to adhere to the spirit of the public tendering process.

Where the College is acquiring goods and services above the threshold limits the process and regulations are noted under "Alternative Procurement Practices" as described below. It is anticipated that in all cases where the limits are exceeded that the expenditure will have some form of approval by Senior Administration who will ensure compliance (non departmental purchases).

In any event it is expected that in cases where the limits are exceeded we will not use the alternate process but rather the policy will be to full comply with the public tendering process.

In some cases it may be necessary to use the alternative practice as described in the following section. (See Electronic Tendering)

It is expected that the bulk of purchases exceeding the limits will fall in the area of Non Space and A&R with some departmental purchase considerations. A very large percentage of College purchases are of the nature of Books, Salary and Fringe Benefit, Resale Goods and other forms of special purchase that would not be part of this process.

### Policy - Existing Procurement Practices

When it is estimated that the value of requested materials or services will not exceed \$5,000.00, an effort should be made to obtain written quotations from different suppliers. In any case purchase of materials or services that are estimated to cost less than \$5,000.00

should be made on a competitive basis.

Any purchases over \$5,000.00 require written quotations.

Purchase by negotiation may be adopted when any of the following conditions apply:

market conditions indicate that materials or services are in short supply;

there is only one source of supply;

two or more bids have been received that are identical;

the lowest acceptable bid exceed the estimated cost of the material or service or the approved budget allowance;

all bids failed to comply with the specifications or terms and conditions, and it is impractical to recall for quotations;

the extension of an existing contract would prove more cost effective and beneficial to the College.

Requests for proposals should be obtained in cases where it is not practical or possible to develop competitive specifications, or to be clear and concise in stating technical requirements. It is understood, however, that proposals received may be subject to further negotiations or competitive quotations to establish a successful bidder.

The acquiring department should protect the confidentiality of pricing and other competitive information submitted by a supplier.

It is normal practice to notify unsuccessful suppliers that other quotations were received and the contract awarded. This procedure will normally be followed for all formal requests for quotations which are in excess of \$5,000.00.

Unless a specific exception has been obtained from the Vice President Finance, quotations should not be solicited from, nor placed with, any company that is owned, controlled, or actively influenced by any College employee, or immediate relative of an employee.

With the factors above satisfied and considered, preference will be given to suppliers in the following priority:

Atlantic Provinces;  
Canadian Provinces;  
Other.

The following factors should be considered when evaluating bids and awarding contracts:

- quality and conformance of specifications requested;
- ability of supplier to render satisfactory service;
- suppliers previous record of performance and service;
- competitive pricing.

Subject to the authority of the Vice President Finance, the College reserves the right to reject any or all bids, waive informalities and to contract in the best interest of the College .

Regarding Leases, Deeds, Mortgages, Contracts and any other documents which require the University seal Article XVI of the By-Laws is referred to. Other relevant articles are Articles IV (c) and (d)

**Amounts over \$20,000.00 there must be two signing officers.**

#### **Policy - Alternative Procurement Practice**

Where alternate procurement practices are permitted:

An unforeseeable situation of urgency or emergency where the good, service, or construction requirement cannot be obtained by means of open procurement procedures;

A situation where tendering could reasonably be expected to compromise government confidentiality, cause economic disruption, or otherwise be contrary to the public interest;

To ensure compatibility with existing products; to recognize exclusive rights, such as exclusive licenses, copyright, and patent rights; or to maintain specialized products that must be maintained by the manufacturer or its representative;

Where, for technical reasons, there is an absence of competition, and the goods or services can be supplied only by a particular supplier and no alternative or substitute exists;

The procurement of goods or services for which there is a statutory monopoly that is controlled by a supplier;

The purchase of goods on a commodity market;

Work to be performed on or about a leased building, or portions thereof, that may be performed only by the lessor;

Work to be performed according to the provisions of a warranty or guarantee;

The procurement of a good or service to be developed in the course of and for a particular contract for research, experiment, study, or original development, but not for any subsequent purchases;

The purchase of goods under exceptionally advantageous circumstances such as bankruptcy or receivership, but not for routine purchases;

The procurement of original works of art;

The procurement of subscriptions to newspapers, magazines, or other periodicals;

Processes that foster the development of minority businesses;

Processes that foster the development of sheltered workshop program.

This Procurement Policy does not apply to the procurement of:

- goods intended for resale to the public
- goods and services from persons with disabilities, philanthropic institutions, or through employment equity programs
- services of expert witnesses, specifically in anticipation of litigation or for the purpose of conducting litigation
- medical services for persons in the care and custody of the Province.

## **Audit**

All procurement activities will be subject to audit procedures. Two forms of audit may occur. A compliance audit may be conducted to determine the level of adherence to established procurement rules and procedures. A quality audit may be undertaken to examine the process undertaken and the decisions reached from the defensibility and accountability point of view.

## **Reporting Forms**

If in a certain instance it becomes necessary to use the Alternative Procurement Process the responsible official will be required to complete and forward to the Manager of Financial Services who will retain the forms on file for audit and reporting use. See Appendix Sample: “Non-Publicly Tendered Procurement Report”.

## **Tender Process - Electronic Tendering**

It is not the intent to describe the tendering process in detail in this document although the fundamentals are outlined in the previous section “Existing Procurement Policies”.

Since this document was first written the practice of Electronic Tendering has become practical and is expected to be the preferred tendering method. Under this system you will place the tender on the electronic bulletin board maintained by and located at Inter University Services Inc. The process is largely self-explanatory and ISI staff will be available to assist in ensuring that the tender is in compliance.

For further information pertaining to electronic tendering contact ISI directly and or visit the web site:

<http://www.interuniversity.ns.ca>

Full details of Government Procurement Process are contained in a document entitled "Government Procurement Process - ASH Sector" Department of Finance Procurement Branch January 1997.

### **Confidentiality**

It should be emphasized that:

the majority of transactions relating to purchasing from our suppliers are of a confidential nature and should be treated as such;

it is unethical and damaging to the College's reputation to allow information about one supplier's quotation to be passed to another supplier, this includes indirect communications such as overheard telephone calls, documentation left on desks during vendor interviews and conversations between employees within the hearing of suppliers;

all files within the acquiring department should be maintained in a confidential manner and access to these files or other purchasing related documentation should be restricted to those authorized in the department.

## **CONFLICT OF INTEREST**

### **Scope**

This policy applies to all employees who participate in any phase or aspect of the purchasing process.

### **General**

Employees in purchasing are expected to be free of any personal interest or relationships which could be construed as potentially detrimental to the best interests of the College. A conflict of Interest may exist where an employee:

the      has a direct or indirect interest in or relationship with, an outsider who is inherently unethical or who may be perceived as potentially able to gain from the employee's ability to influence dealings, or render the employee partial toward the outsider for personal reasons, or otherwise inhibit the partiality of the employee's judgment.

            takes undue personal advantage of material or equipment that properly belongs to the College.

Note: Materials or equipment purchased with College funds should not be removed from the physical premises of the College (for example, the use of equipment at a personal residence) without obtaining the permission of the responsibility centre concerned and notifying the Manager of Financial Services in the Business Office of the removal and the location. The College maintains a capital inventory system, which should identify the location and value of all equipment owned by the College.

### **Policy**

Any employee who is engaged in purchasing who has assumed or is about to assume a financial or other outside business relationship that might involve a conflict of interest, must inform the Vice President Finance of the circumstances involved, so that a decision can be taken whether a conflict of interest is present and if so what course of action should be taken.

## **GIFTS AND GRATUITIES**

### **Scope**

This policy applies to all College employees.

### **Policy**

Any special considerations or favors offered by an individual or company doing business with the College, other than token gifts or modest entertainment, must be declined by all College employees. It is the acquiring department's responsibility to ensure employee relations with suppliers are appropriate and kept in proportion. When in doubt, consult the Vice President Finance.

Personal Loans may not be accepted from an individual or organization having prospective dealings with the College unless the entity concerned is in the business of making loans to individuals.

In dealing with suppliers employees should not become involved in any activity which could be in conflict with the best interests of the College, or which might prejudice the College's reputation.

Appropriate disciplinary action may have to be taken against an employee who disregards the intent of this policy.

## **LEGAL JURISDICTION**

### **Scope**

This policy applies to all purchases.

### **Policy**

All contractual documents concerning the purchase of goods and services must conform to legal requirements as to point of delivery, price, and description of material and terms of acceptance. Any questions concerning the legality of a pending purchase should be referred to the Vice President Finance at the earliest opportunity.

## **ENVIRONMENTAL CONSIDERATIONS**

### **Scope**

This policy applies to all purchases.

### **Policy**

Where environmentally friendly procurement does not conflict with established principles of good materials management, the acquiring department must, where appropriate, assist requisitioners in specifying materials and services which will lessen the negative impact of the use of that material on the environment.

The acquiring department should procure, whenever available and economically feasible, products and services which:

- contain materials that lend themselves to recycling;
- contain post-consumer recycled materials;
- contains a minimum of non-recyclable packaging;
- are not inherently harmful to the environment or are the least harmful available.

### **Departmental Responsibility**

To act in conformity with the criteria described above, the acquiring department is responsible for:

- increasing awareness among requisitioners about alternative materials and services;
- researching materials and services available from vendors;
- specifying from vendors in conjunction with College requisitioners appropriate materials and services.

Note: When purchasing certain materials the acquiring department should be aware that there may be a cost of disposal of such materials following their use. Disposal costs are a part of the total cost of acquisition and as such the absorption of these costs is the responsibility of the acquiring department - see section below entitled: "Purchase of Hazardous Materials".

## **PURCHASE OF HAZARDOUS MATERIALS**

### **Scope**

This policy applies to all purchases classified as hazardous materials under the federal government legislation known as the Workplace Hazardous Materials Information System (WHMIS).

### **Policy**

In accordance with WHMIS, all purchases of hazardous materials require Material Safety Data Sheets to be supplied by the manufacturer. Proper instructions for product usage and safety must be made available to College staff and students using the product.

### **Responsibility**

It is the responsibility of individual faculty and staff as well as the user department to ensure that the requirements of this policy are met. It should be noted that the Physical Plant Department can assist in obtaining Material Safety Data Sheets from vendors.

### **Disposal**

It should be emphasized that the acquiring department is responsible for any expenses related to the removal of any hazardous chemicals following their purchase. Any potential disposal problems should be discussed with the Director of Physical Plant prior to purchase.

Note: Effective May 1997, the College has adopted a centralized approach to the disposal of all hazardous materials. The department of physical plant will co-ordinate the pick up and contracted disposal of all materials. Purchasing departments will be charged a pro-rata rate for the disposal of all chemicals.

## **STANDARDIZATION OF MATERIALS**

### **Scope**

This policy applies to all purchases.

### **General**

Standardization of all supplies, materials and equipment is to be achieved wherever possible. The effort to support and fill consolidated requirements in standard commodities, e.g., office supplies, printing, computer equipment, etc. allows the economical purchase of materials and supplies on a College-wide basis and thereby assists in optimizing cost reductions.

### **Policy**

It is a long-standing policy of the College to achieve standardization through attrition. Consideration must be given to higher (and additional) costs incurred when purchasing "non-standard" equipment and items. Before purchasing non-standard items, or if in doubt, please consult the Business Office.

Note: The purchase of certain supplies (lighting, washroom accessories, etc.) are the responsibility of the Physical Plant Department and as such are purchased centrally through that department.

## **INTERNAL PURCHASE**

### **Scope**

It is often difficult to calculate the real cost of producing materials and services in-house. In the case of purchase from outside suppliers, the cost is readily known. In reviewing the options, therefore, acquiring departments must endeavor to calculate the fixed operating costs of an in-house operation - having due regard for workload, service level and response time.

### **Policy**

When it is more cost effective and expedient to contract requirements to inside suppliers, the acquiring department is authorized to purchase or construct in-house.

In contracting in-house for the purchase of goods and services, the following should be noted:

except in special circumstances, the College does not advance funds for such purchases;

the College cannot provide accounting services for them;

the Business Office should be provided with one or two invoices for the work carried out with outside suppliers;

the Business office will require complete supporting documentation for the acquisition as would be the case for an external purchase.

Note: Payments to individuals already employed at the College will generally be considered as "wages" for the purposes of effecting payment and as such will be processed through the payroll system - see following section entitled "Payments to Individuals".

## **PAYMENTS TO INDIVIDUALS**

### **Scope**

These conditions apply to all persons.

### **General**

The majority of payments to individual employees are in the form of wages and salaries paid through the payroll department. However, there are a number of exceptions to this rule, depending on the circumstances such as the payment of honoraria, travel expenses, petty cash and reimbursement for goods bought by individuals who acted personally when making the purchase for the College. While it is not possible to cover every eventuality the general rules set out below apply.

### **Policy**

Advances are only provided in a restricted number of special circumstances.

In the case where funds are advanced prior to purchase, they must be accounted for immediately following the expenditure for which the funds were issued. Further information on the conditions governing advances can be obtained from Accounts Payable in the Business Office.

Such payments as "honoraria " are generally payable direct to individuals from Accounts Payable in the Business Office. However, many of these kinds of payments are taxable, and the recipient will receive, as appropriate, a T4 or T4A from the Business Office at the end of the taxation year.

With the exception of payments to individuals which are taxable, supporting documentation must be provided in support of all request for payment from the Business Office. "Supporting documentation," means the original copy of a receipt, invoice, credit card voucher or other validated document providing proof of payment.

## **PURCHASE FROM EMPLOYEES**

### **Scope**

This policy applies to all purchases.

### **Policy**

Note: Purchases of goods and services from employees or close relatives of employees can not be made without the prior consent of the Vice President Finance.

## **PURCHASE FOR EMPLOYEES**

### **Scope**

This policy applies to all College employees.

### **Policy**

The purchase of materials, equipment and/or services for the personal use of employees is permitted only when provided through an employee benefit plan officially recognized by the College and through facilities that are owned by it such as the Bookstore (Educational Assistance Plan, Professional Development Plan). The purchase of computers may be made through the "PCPC" Computer Store at Dalhousie University.

Under no circumstances should any employee use the name of the College to obtain discounts for privately purchased materials and/or services.

All questions relating to employee purchases should be referred to the Business Office.

## **PURCHASE BY STUDENTS**

### **Scope**

This policy applies to all College employees.

### **General**

Materials and services for the College are purchased for the exclusive use of College staff in the performance of their duties. Many of these materials and services purchased by the College are exempt from Federal Goods and Services Tax and Nova Scotia Hospital Tax because they are used directly and predominantly in teaching or research. As a condition of these tax exemptions, supplies may not be resold or rented.

### **Policy**

Due to the tax implications, all purchases by students must be made through the College Bookstore or some other administrative unit specifically authorized to purchase for resale. Under no circumstances should any unauthorized Academic, Administrative or Research department sell materials or services direct to students or employees of the College.

Purchase Orders may not be distributed to students for personal use.

## **PURCHASE UNDER RESEARCH GRANTS**

### **Scope**

This policy applies to all materials and services requested by the recipients of research grants.

### **General**

The awarding of research grants generally states that any material or service which is purchased by the recipient of the grant is to become the property of the College.

### **Policy**

The purchase of materials and services under research grants must conform to the purchasing procedures of the College as set out in this Manual.

## **SERVICE CONTRACTS**

### **Scope**

The purchase of equipment is often accompanied by the offer, (at additional cost) of a service contract. In other situations vendors may offer a service plan or contract subsequent to a purchase.

### **General**

Experience has repeatedly shown that such service contracts most often do not represent good value for the cost and should therefore be avoided.

### **Policy**

While it is generally accepted college policy not to purchase such contracts, there can be exceptions with regard to specialized equipment, photocopiers, postage machines, and certain other high-end pieces of equipment (such as computers) which do require regular and specialized service.

As a general rule, if the cost of the piece of equipment is less than \$10,000.00, a service contract is not likely to be advantageous and should be avoided. When in doubt, consult the Vice President Finance.

## **UNIVERSITY GROUP PURCHASING**

### **Scope**

This policy applies to all purchases under the listing of contracts issued by Inter University Services Inc. (ISI).

### **General**

The College, through ISI, is part of a consortium of several Atlantic province Universities which have consolidated their buying power. The agreements negotiated largely reflect the lowest total end use cost for members, considering quality, service and price. In addition, the contractual terms and conditions binding on vendors provide uniform legal protection to the universities forming the consortium.

### **Policy**

All materials or services contained in the contract listing of ISI must be procured from the suppliers listed unless otherwise approved by the Business Office.

### **Responsibility**

The Business Office is responsible for ensuring current ISI contract listings are distributed to all requisitioners, and acts as the liaison between requisitioners and ISI concerning any questions relating to quality, service and price with selected suppliers. The College fully endorses the consortium and is committed to maximizing the savings that accrue through the use of ISI purchase agreements.

## **MATERIALS DECLARED SURPLUS**

### **Scope**

This policy applies to the disposal of Capital Assets and may be used as a guide in the very rare case of disposal of materials or supplies.

### **General**

The College maintains a computerized data base of all physical assets. Assets should in all cases be identified with a metal tag. All additions and removals of assets should be reported to the Manager of Financial Services to ensure proper record maintenance.

### **Policy**

Departments and individual employees are not permitted to dispose of College assets without the express approval as signed off on a Capital Asset Disposal Form (available from the Business Office). Prior to the disposal of any asset you are required to submit a properly completed form to the Manager of Financial Services for approval. The form makes provision for disposal method and this must be completed. Upon receipt of approved forms then you may proceed to dispose of the assets.

The following approval guidelines are used:

Working computers may not be sold or disposed of;

Generally sales to employees are not allowed;

The use of assets by another department in the College will be encouraged;

Assets with retained value should be advertised (internally - externally if over 2,000.00 in value).

In many cases items will have been purchased exempt of tax. Care should be exercised that in disposing of assets the College is not in contravention of any tax compliance laws.

## **HARMONIZED SALES TAX**

Effective April 1, 1997, the Harmonized Sales Tax replaces the PST and GST.

For the purposes of budget submissions and capital requests, purchase negotiations, etc., the tax must be included in submissions. All Purchase Orders submitted must show the amount of HST.

Academic Supplies	15% tax	67% rebate
Books	7% tax	100% rebate
Material for resale (store etc.)	15% tax	100% rebate

The Business Office is responsible for ensuring that credits for HST are properly credited back to departments. Purchases will appear in accounts as gross amounts with a corresponding entry for the credit back of tax.

## INTERNAL PROCEDURES - NON SPACE AND A&R FUNDS

Requests for funds are submitted to the Associate Dean for Approval. A&R and Non Space forms are forwarded to the Manager of Financial Services for final approval, budget verification, etc.

Capital Expenditure Approval is a two-stage process. Acquisition may not commence until all stages of approval have been completed.

We are asking that all requests for these non-space, alteration and renovation grant funds be submitted to the office of Associate Dean, Academic, **no later than 4:00 p.m., September 30, 19XX.** This deadline has been established to give sufficient time to review the various proposals received and to select those to go forward for consideration for approval.

**Note: It should be stressed that the Associate Dean is the responsible administrative officer for academic departments and academic service departments. Submissions cannot be accepted unless they carry the Associate Dean's signature and are accompanied by the Associate Dean's priority ranking.**

Funds may not be transferred from the alteration and renovation to the non-space category. This policy of not permitting transfers from alteration and renovation grant category has been in effect since 1991-92, and reflects the Commission's view that some institutions may have unduly favored expenditures for furniture, equipment and library materials, and not given sufficient priority to building renovations and alterations. Therefore, we require the responsible dean or director to provide separate priority listings for all proposed expenditures in (a) the non-space and (b) the alteration and renovation grant categories.

The amounts shown on Budget reports represent preliminary, historic allocations, and are not representative of final awards. Final budget allocations, in all cases, will be in conformity with this procedural document.

In the future, computers must be requested through this document.

Regardless of whether they fall in the non-space or alteration and renovation category, all items must fully meet the eligibility criteria established by the Higher Education Commission. These criteria may be summarized as follows:

- **Alteration and renovation grants** are provided for updating, upgrading or repairing buildings, parts of buildings or services to buildings; re-organizing and/or reassigning space to make it more functional; major maintenance projects; and grounds improvements and development. Individual projects must have a cost of at least \$1,000.

- The Commission requires the submission of background information concerning the requirements for each project, a complete description of the work to be undertaken, estimated project cost, including a breakdown of the various components, and the function of the space upon completion of the project.
- You should consult with the Director, Physical Plant, about the details of all alteration and renovation projects so that the implications for overall construction scheduling, as well as for classroom and laboratory scheduling, office allocation, long-term maintenance and operating costs, can be assessed.
- All cost estimates for proposed alteration and renovation projects should be prepared with the advice of the Director, Physical Plant and where appropriate the college architect.
- **Non-space grants** are intended to finance acquisition of teaching, research, plant and administrative equipment and furnishings, as well as the purchase of library volumes. The purchase of computer software is also an eligible item. To be eligible, individual items must involve a cost of at least \$250.

**Non-Space, alteration and renovation grant funds may not be utilized for ancillary enterprises, such as residences, food services and bookstores.**

Grant applicants will be responsible for payment of any additional tax amount if a projected exemption is disallowed.

If you have questions concerning the application of tax, foreign exchange, etc. please direct them to the Manager, Financial Services.

As to the timing of any purchase or work to be financed from non-space, alteration and renovation grant funds, it is a condition of these grants that no commitments or expenditures can be made before written approval is received by the requesting department. Expenditures under these grants are subject to audit to ensure that they conform to the terms indicated.

Departments receiving grants will be responsible for covering any over-expenditure of grant accounts.

Because the total demand for grants is expected to greatly exceed the funds now available, individually large grants, say of more than \$10,000 each, will rapidly reduce the funds available to support other items. Moreover, experience has indicated that worthwhile proposals are likely to come forward from a broad cross-section of the University departments (representing both academic and support services), and we would like to respond positively to the highest priority needs of as many units as possible. Hence, although departments and faculties are free to submit, in priority rank, as many individual requests as they see fit, it would be appreciated if the value of each individual request were based on the most economical approach possible, and in any case, did not exceed a total cost of \$10,000.

## **Request for Non-Space or Alteration and Renovation Grant**

The following information is required by University officers to prepare requests for a non-space or an alteration and renovation grant. No expenditures or commitments involving use of non-space, alteration and renovation grant funds may be made before written approval is obtained.

1. Name of Department or Faculty: \_\_\_\_\_

2. Type of grant requested:

Non-Space: \_\_\_\_\_

Alteration and Renovation: \_\_\_\_\_

Amount: \_\_\_\_\_

3. Specific program objective or problem area responsible for this request. Explain why your area needs any item requested (e.g., how does the item facilitate program delivery, staff work, health and safety, and student requirements, etc.). Rank your requests in order of priority. (Departments with several responsibility areas within them should consult extensively in establishing their priorities.) Submit your requests to the Dean's office so that the Dean can compile a priority list.

Location (Building) \_\_\_\_\_ Rm. # \_\_\_\_\_

Estimated TOTAL COST (including all required taxes, foreign exchange, shipping and installation charges, etc.)

ITEM	COST
Sub-total (excluding HST)	
Allowance for net cost of HST*	
Items not requiring tax (e.g. University labor charges) - Please specify	
<b>TOTAL COST</b>	

Source and date of this cost estimate:

Source: \_\_\_\_\_

Date: \_\_\_\_\_

\*Normally equals 15.00% of the sub-total before tax.

*Note: A& R Projects should include the cost of overhead and system items such as:*

<i>OVERHEAD ITEMS</i>	<i>AMOUNT</i>
<i>Telephone</i>	
<i>Computer Lines</i>	
<i>Lighting</i>	
<i>Painting</i>	
<i>Shelving</i>	
<i>Locks</i>	
<i>Furnishings</i>	
<i>Architect Fees</i>	
<i>Printing</i>	
<i>Ancillary Work</i>	
<i>Equipment</i>	
<i>Electrical</i>	

5. If this project will lead to increased operating costs, please estimate the annual amount and indicate the source (including the account number) for the additional funds required. If it will produce a saving, please indicate the amount and how the surplus funds will be used.
6. Who will be responsible for use of the equipment or facilities to be financed by this grant?

Copies of any additional supporting material required to assess this proposal may be attached.

REQUESTED BY:	
<hr style="border: 0; border-top: 1px solid black; margin-bottom: 5px;"/> (Chairman/Head/Director)	<hr style="border: 0; border-top: 1px solid black; margin-bottom: 5px;"/> Dean or Senior Administrative Officer
DATE: _____	
<b>NOTE:</b> <i>Forward all submissions to the Office of the Dean, to be received no later than <u>4:00 p.m., Monday, September 30, 19XX.</u></i>	

## **WINE AND BEER LICENSE COMPLIANCE & PURCHASES**

### **Scope**

This policy applies to all areas and all staff, faculty and students in the College.

### **General**

The consumption of alcoholic beverages on the Campus is prohibited except in the locations that have been official designated in the NSCAD Liquor License.

The purchase and distribution of alcoholic beverages is managed by the Director of Physical Plant. The Director is the final arbitrator of all matters relating to conformity with the License.

Note: Failure to comply with all aspects of the regulations can and has resulted in the loss of permission to purchase alcohol under this license.

### **Policy**

The following is not intended to be a complete list of all regulations but rather an overview dealing mainly with the purchase component of the College license. Questions regarding any aspect of this policy should be directed to the Director of Physical Plant.

The following outlines the procedures to be followed with respect to liquor:

Purchase is restricted to consumption within designated areas only (no off campus or non-designated area consumption).

Purchase requires strict adherence to liquor consumption age requirements.

Except in very special circumstances alcohol is purchased on a full cost recovery basis (i.e. resale or some other means, not charged to operating budgets).

Purchases are made on a per event basis ( i.e. no purchase for inventory).

Purchases may only be made through the appropriate government license store (You will be in contravention of the license if you purchase from a regular store).

Purchases not consumed for an event must be returned to the Director of Physical Plant for credit.

Government stores will not sell on credit, therefore cheques must be requisitioned sufficiently in advance of the date required to allow preparation by the business office.

Actual purchases must be made by the designated physical plant employee (i.e. you are not allowed to go directly to the government store).

You are reminded that the purchase of alcohol for consumption in a public institution carries specific responsibilities as to use and that the College and its employees can be held liable for consequences resulting from the consumption of alcoholic beverages (consequences need not occur on the campus).

## **POLICY STATEMENT ON BUDGETARY OVERRUNS**

### **OBJECTIVES**

The responsibility for the financial administration of the College rests with the Board of Governors and is carried out through the Finance Committee of the Board.

Financial planning and control is carried out by means of budgets, reporting and control systems, and other means as the Board may deem fit.

The President, with the assistance of the Vice President Finance and the Vice President Academic is responsible to the Board of Governors for the administration of the various financial plans, objectives, and management of the finances of the College.

In order that management and department heads may have some flexibility in managing the affairs of the College, the following policy will be adhered to with respect to budgets and budget overruns.

#### **(A) GENERAL**

Every expenditure in the College is organized by functional cost center. In no case may a functional department exceed its budget in total, even though there may be approval for exceeding the budget on a given line item within the cost center.

It shall remain the policy of the College that there will be no re-allocation of funds or expenditures between salary and non-salary line items within a given center.

For purposes of salary management, all salaries within a department or center shall be considered as one budget item. That is; the Academic Vice President may allocate salary funds back and forth between regular and sessional salaries as long as it remains within the total budget for all salary categories (total salary budget submitted to Finance at the beginning of the year for approval).

There shall be no increase in the equivalent full time complement of personnel without specific prior Finance approval.

Expenditures for consultants, legal services, and audit fees all must have prior Finance approval.

#### **(B) FINANCE COMMITTEE**

Regardless of the status of the department, no budget overruns will be allowed without the express permission of the Finance Committee of the Board except as set out in the following section:

#### **(C) DEPARTMENT HEADS**

Chairperson, Directors, and Managers all have the authority to exceed the budget on the following line item accounts (uniform throughout the system) subject to these conditions:

(1) that the overall budget excluding salaries is not exceeded,

(2) that no line item exceeds the budget by the lessor of 20% or \$2,000.00.

All Departments:

Student Assistants  
Operating (includes maintenance repairs)  
Entertainment  
Xerox  
Telephone  
Visitors  
Apartment Rent  
Computer Supplies/Service

Note: For purposes of clause C (1) salaries are defined as salaries regular, salaries sessional, salaries support and fringe benefits.

Accounts: 010, 015, 020, 030

## **RELATED POLICIES AND DOCUMENTS**

The following lists some of the more important related forms and documents that will be of interest to readers of this Manual (note that this is not a complete list):

Salary Approval Form available from the Business Office;

Honorarium approval form available from the Business Office;

Travel Expense Claim Form available from the Business Office;

Purchase Orders and related procedure document available from the Business Office;

Professional Development and Educational Assistance reimbursement procedures  
- Human Resource Officer;

Student Aid Procedures - Director of Student Services;

Student payroll time sheets (used for all non salary payroll payments) available from the Business Office.

Revised: September 24, 1999

Revised: June 1, 1997

Revised: May 29, 2006