

Purchasing Policy

Finlandia University

Status: Board Approved on 11/10/2021

Created on: 11/01/2021

Updated: 5/29/2021

Policy Owner: Finance Department - Cyril FoxPetrov , Controller

Table of Contents

The objective of Purchasing policy	3
Vendor setup and onboarding process	3
Contract signing Authority	4
Purchasing authority levels	4
Purchasing process and accepted norms	5
Invoicing process and guidelines	6
Ethical purchasing and conflict of Interest	7

1. The Objective of Purchasing policy

The role of the purchasing policy is to define standard methods and procedures for the Finlandia University to purchase products and services from different vendors.

This policy covers all vendor expenses for the university including items like payments for vendor invoices, supplies and contracted services.

Compliance with this policy is mandatory for all employees. Noncompliance with this policy could lead to action including termination of employment. The Finance Department is responsible for maintaining and implementing the processes defined in this policy. For any suggestions and feedback, please reach out to Cyril.FoxPetrov@Finlandia.edu

2. Vendor setup and onboarding process

The purchaser of a department determines a new vendor is necessary. The purchaser uses the New Vendor Request form to specify details regarding a new vendor. The New Vendor Request form is attached to Form W-9 and together are given to the department supervisor for approval and signature. The approved vendor request form and Form W-9 are then sent to Accounts Payable. Accounts Payable then adds the new vendor into Sage.

3. Contract signing Authority

The contract signing authority is defined based on the Total Contract Value (TCV) of the contract being signed. A TCV is calculated by taking the annual committed amount X number of contract years. Additionally, with every contract signed, a schedule of payments is to be included with every signed contract.

For example, if you are committing \$100,00 for 3 years, then the total contract value is \$300,000.

Following is the list of people who can sign the vendor contracts and their approval authority based on the TCV of the contract.

The Board has the ultimate authority for signing legally binding contracts. For contracts over \$100,000 review of the contract by outside legal counsel is recommended.

All contracts over \$40,000 must include a schedule of agreed upon contract payments that is approved by the CFO.

All contracts are submitted to the Finance Department after signatures have been completed and the contract is in force.

All contracts considered non-budgeted and greater than \$1,000 receive approval at the CFO and President level.

Title	Signing Authority limit (\$)
Budget Manager	Up to \$1,000
Budget Supervisor	Up to \$25,000
CFO & President	Up to \$100,000
Board	Greater than \$100,000

4. Purchasing authority levels - Budgeted vs. Non-Budgeted

Purchasing authority levels specify what amount is authorized at what level of the organization before the payment can be made to the supplier. This is applicable to all purchases that have been previously budgeted for and purchases that are additional to the budget. All purchases are approved at the appropriate level based on the total amount of the requisition. The following matrix provides authorization limits based on job titles.

Title	Budgeted Approval limit (\$)
Budget Manager	Up to \$5,000
Budget Supervisor	Up to \$25,000
CFO & President	Up to \$50,000
Board	Greater than \$50,000

Title	Non-Budgeted Approval limit (\$)
Budget Manager	Up to \$1,000
Budget Supervisor	Up to \$5,000
CFO & President	Up to \$50,000
Board	Greater than \$50,000

5. Purchasing process and accepted norms

Requisition process

To purchase a product or service, you need to submit a requisition.

All payments that can be done online or over the phone using a purchasing card (P-Card) or Electronic card (E-Card) will be done via Teampay. All payments that require a physical check or cash will be done using the Check & Cash Requisition forms and submitted via Checkrequests@finlandia.edu

Note: All requests must include an invoice/document number. Invoice number cannot be left blank or N/A. If no invoice number exists, please create a unique number/alpha system to track your invoices. The invoice number should be a unique identifier from a logical sequence. Ideally the invoice number should help identify what was purchased. We are also requiring them so our accounting system

will flag duplicate invoice submissions so any unique invoice number will suffice. If you resubmit a requisition, please ensure you are using the same invoice number.

Online and Card Payments

To purchase a product or service, you need to submit a requisition.

A requisition can be submitted using our online purchasing system Teampay. When submitting the requisition, you pick expense coding and preferred vendors through the Teampay online purchasing system.

Cash and Check Payments

To purchase a product or service, you need to submit a requisition.

A Check or Cash requisition can be submitted using our email based Checkrequests@finlandia.edu. The Check and Cash Requisition forms are found on the Business Office intranet site. When submitting the requisition, you can pick expense coding and department coding from the dropdowns and fill in the vendor information. Please select if the check is to be picked up from the Business Office or mailed to the Vendor. Please note that all cash requests have to be picked up from the Business Office.

Approval process

Each requisition is approved as per the purchasing authority levels defined in Section 4. Once a request has been made on Teampay, it will automatically route to your department approver.

Purchase order process

Purchase orders will no longer be submitted unless required by the vendor. If you have a need for a PO please contact Cyril.FoxPetrov@finlandia.edu directly.

6. Invoicing process and guidelines

This section outlines the process which the vendors need to follow to submit the invoices. The same is applicable to internal users too, in case they need to submit a request for payments or other invoices where a purchase order is not applicable.

Invoices received from vendors are to be sent directly to the departments. It is the responsibility of the department to receive their invoices from the vendor, and communicate with the vendor when needed. Invoices are then uploaded and attached to department requisitions.

In general, there are two approaches to submit invoices with department requisitions. The difference in process centers around how we will pay for the invoice. If the invoice can be paid with E-Card online or over the phone then the Teampay process will be used. For check and cash payments, the check request

process will be used. Finlandia encourages E-card payments as they are a cost effective way to track, approve, pay and reconcile invoices and invoice payments quickly and efficiently in an online portal.

1. Upload the supporting invoice documentation to the Teampay requisition. Teampay is set to automatically require invoice documentation prior to submitting the request for approval.
2. Attach the supporting invoice documentation to the Check Request prior to submitting the request for approval.

7. Ethical purchasing and conflict of Interest

A conflict of interest arises when an employee has a relation to another party that enables an opportunity for personal gain. The University prevents conflict of interest through use of the 'New Vendor Request Form.' The form serves as corroboration to the experience and level of expertise of each new vendor. It specifies how the vendor will benefit the University and identifies any conflicts of interest. Additionally our purchasing approval process eliminates unauthorized purchases. All Finlandia University's financial transactions are conducted at arm's length, meaning the university and vendors act independently without one party influencing the other and are absent of bribes, kickbacks and illegal contracts.

Additionally approvers of new vendors do not have access to add or edit vendors in the Sage Vendor system. Likewise, Accounts Payable does not have authority to approve new vendors. Check requests processed by Accounts Payable require approval by a department supervisor. Additionally, accounts Payable does not have authority to approve check requests.