



Cal Poly Pomona

Philanthropic Foundation

POLICIES AND PROCEDURES

Subject: Purchasing and Capitalization

Policy No. 513

Effective Date: 07/2019

Reviewed: 5/22/2026

POLICY

- A. This policy applies to purchase of materials, equipment, supplies, and services paid from Foundation administered funding sources. All project purchases must be in compliance with the Foundation's purchasing policy. The Foundation has implemented purchasing procedures which meet project purchasing needs and which satisfy the requirements of federal, state and independent auditors. Travel and the retention of artists, entertainers, lecturers, catering and speakers for services are not subject to the provisions of this policy.

REGULATIONS AND GUIDELINES

All purchase orders must be approved by the Foundation prior to order commitment, accordingly; a *Purchase Order Request Form* must be submitted to the Foundation prior to making purchases within the guidelines of this policy and procedure.

A. Policy Provisions

1. Purchases shall be made in a manner that supports and facilitates the competitive bidding process and at the lowest cost consistent with quality, specifications, service and product availability.
2. Purchases shall follow what is customary in the market place for a particular commodity or product and be consummated in such a manner so as to constitute a reasonably prudent documented business transaction.
3. Fitness and quality being equal, recycled products shall be considered for procurement in place of non-recycled products whenever such products

are available at no more than the total cost of their non-recycled counterparts.

4. Volume or pool purchases, annual purchase agreements and State-purchasing contracts shall be utilized when deemed to be advantageous to the Foundation.
5. Purchases from CSU staff or faculty of items for resale shall be certified as to their competitive value by the appropriate department head and be approved by the appropriate dean or Foundation management Chief Operating Officer.
6. Sole source purchases on a non-competitive basis will require written justification and approval. The sole source written justification should include:
 - (a) Unique performance factors of the products specified.
 - (b) Why these factors are required
 - (c) What other products have been evaluated and rejected, and why.
 - (d) Special circumstances requiring immediate action.
7. No Foundation Board member, or CSU employee by virtue of their position, will personally derive any benefit, gain or receive preferential treatment from the purchase of materials, equipment, supplies or services.
8. Authorized signers failing to follow the Foundation's purchasing policy and procedures may incur personal liability or financial obligation with the vendor.

B. Regulations & guidelines for purchase of materials, equipment and supplies:

1. **Purchases under \$10,000:** Foundation does not require a Purchase Order. If a vendor requires a purchase order, the Foundation will prepare a purchase order based on the purchase order request and price quotation obtained in writing from the vendor.
2. **Purchases of \$10,000 to \$25,000:** Authorized signer is required to submit a purchase order and a price quotation must be attached from the vendor.
3. **Purchases over \$25,000 to \$50,000 for Materials, Equipment, and Supplies:** Authorized signer is required to submit a purchase order request with a minimum of three price quotations attached from the vendor.
4. **Purchases over \$50,000 for Materials, Equipment, and Supplies:** Authorized signer is required to submit a request for a purchase order and attach a minimum of three formal bids from providers based on written specifications, which recognize competitive pricing, responsiveness to specifications and reputation of vendors.

5. Volume purchase and annual purchase agreements that will result in an advantage to the Foundation will be utilized whenever possible. The Foundation will utilize State Purchasing contracts whenever possible to the Foundation's advantage.

C. Regulations & guidelines for purchase of services:

1. **Purchases over \$50,000 for services:**
Authorized signer is required to submit a request for purchase order and attach a minimum of three formal bids from providers based on written specifications, which recognize competitive pricing, responsiveness to specifications and reputation of vendors.

INSURANCE REQUIREMENTS

For insurance coverage, limits and endorsements, refer to the Foundation's Risk Management Policy and Procedure.

EXCEPTIONS TO BIDDING REQUIREMENTS AND PURCHASE ORDERS:

- A. Agricultural feed, supplies, livestock. Purchases shall be made on the basis of quotations from several reliable sources and awards made on the basis of price, quality, reliability, and delivery.
- B. Retention of service contractors on an hourly time and material basis. Authorized signer's approval must be obtained prior to retention of service contractors.

PURCHASES FROM BOARD APPROVED BUDGETS:

- A. All purchases from Foundation Board approved budgets must be approved by the authorized signer having approval authority for the accounts charged. Quotation and bid requirements as outlined above should be followed. Purchases with a value greater than \$10,000 require the additional approval of Foundation's Chief Operating Officer or his/her designee.
 1. Standing purchase orders may be used for routine, repetitive purchases from the same vendor. Standing purchase orders may not be used to purchase equipment or to circumvent this policy statement.
 2. The purchase of "services" from faculty or staff shall be conducted in a manner that constitutes "an arm's length transaction."

CAPITAL PURCHASES NOT FROM BOARD APPROVED BUDGETS:

- A. This applies to Foundation's unrestricted funds. **Capital purchases not approved by the Foundation's Board must be indicated as such on the purchase order request.**

All purchases not previously approved by the Foundation Board are subject to the availability of funding within the applicable account and the following approvals:

Purchases \$25,000 or less - The authorized signers have approval authority for the charged account and Foundation's Chief Operating Officer or his/her designee must approve.

Purchases over \$25,000 - Require the approval of the administrator having authority for the charged account, Foundation's Chief Operating Officer or his/her designee and the Chief Executive Officer or his/her designee.

The Chief Executive Officer is authorized to expend beyond the budget an accumulative total of \$50,000 per quarter. If the purchase exceeds \$50,000, the Chief Executive Officer will request the purchase be approved by the Board.

Quotation and bid requirements as outlined above should be followed for all purchases.