



# Southwestern Michigan College

## Board Policy – Business Services – Purchasing Insurance and Disposal of College Assets

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### **DIVISION III – BUSINESS SERVICES**

### **III.2 PURCHASING, INSURANCE AND DISPOSAL OF COLLEGE ASSETS**

#### **III.2.1 Procedures and Budget**

The College President, or their designee, is responsible for procuring, storing and distributing all supplies, equipment, material and services necessary for the operation of the College.

- A. Purchases must be handled in accordance with clearly defined business procedures and must be substantiated with the necessary records to satisfy audit and inventory requirements.
- B. All expenditures must be compatible with the current budget.
- C. Unauthorized expenditures will not be reimbursed and are strictly the responsibility of the individual.
- D. Federal funds received under the Carl D. Perkins Vocational Education Act will be used to supplement, and to the extent practicable, increase the amount of state and federal funds that would, in the absence of such federal funds, be made available for the use specified in the Act, in no case supplanting such state or local funds.
- E. It is recognized that sound judgment and a degree of latitude in procuring materials and services in the most cost effective manner are essential to the purchasing function. To that end, items and services may be: purchased outright; purchased after receiving competitive quotations; purchased through special purchasing agreements such as MiDEAL (Michigan Delivering Extended Agreements Locally), U.S. General Services Administration (GSA), or educational institution-only pricing; purchased through contract extension; or purchased after taking sealed bids.
- F. Purchases of materials of less than \$5,000 or services of less than \$7,500 may be made outright at the discretion of the administration from qualified vendors.

G. Contemplated purchases for materials or supplies of more than \$5,000 or services of more than \$7,500, but less than \$35,000, shall require due diligence in the form of competitive quotations if the purchase is not from a special purchasing agreement, contract extension, or educational pricing (as described in E above). Quotations can be written; received by telephone if fully documented including price, date, contact person and signature of the appropriate administrator; or documented from vendor catalogs.

### **III.2.2 Bids**

- A. Exceptions to purchases of budgeted items as described above in this policy may be made by the College President up to \$75,000 under certain circumstances such as:
1. Newspaper/Radio advertising, government surplus items, specialty equipment, used items, specialty services, textbooks and other single source items.
  2. Utilities (which shall not be subject to the \$75,000 limitation.)
  3. Emergency purchase for repair or replacement when necessary to protect the physical plant and insure on-going College operations.
  4. Open purchase orders that cover an entire fiscal year that involve a series of small purchases that total more than the stated limits. Examples include car parts for the automotive technology program, gasoline, and hardware.
- B. College purchases for more than \$35,000 that were not bid, and were not from a special purchasing agreement, contract extension, or educational pricing, or not listed in the exceptions above shall be highlighted in the Treasurer's report on colored paper and placed in the Treasurer's Report for the Board's awareness.
- C. The Board of Trustees by majority vote of the full Board may waive any part of the College purchasing policy.

### **III.2.4 Insurance**

Insurance coverage for the College's General Comprehensive Insurance Program package shall be placed with an established agent of record whose primary business office is located in Michigan or with a risk management group specifically organized and operated for community colleges.

### **III.2.5 Disposal of College Assets**

College property found to be: (a) obsolete for its purposes (b) requiring excessive maintenance to keep in operation, or (c) of no further use to the using department or any other College department, may be declared surplus and subject to disposal only upon the approval of the College President or his designee.

- A. Equipment, especially that associated with instruction and technology (i.e. computers, printers, etc.) shall normally be transferred to other College offices and departments if useable. Use may include the total piece of equipment or parts from the total. When equipment is found to have no use by any College department or office or by other governmental units and is determined to have no monetary value, such equipment may be discarded.

- B. Property having some monetary value or use and declared disposable shall be sold for the highest obtainable price with the exception of the transfer of public property from the College to another governmental unit or a private non-profit organization which may be made with approval of the College President.
- C. College employees involved in the acquisition, utilization, or planning for the disposition of College property shall not be involved, directly or indirectly, in the actual purchase of College surplus equipment or materials unless the purchase is through a public auction or with the approval of the President.