

POLICY ON PROCUREMENT

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BACKGROUND AND PURPOSE

The Associated Students, Incorporated (ASI) maintains a Policy on Procurement intended to guide the conduct of ASI employees and agents who engage in the purchase of goods and services in support of ASI’s programs, activities, and services. Through the adoption of this policy, the ASI affirms its commitment to maintaining high standards of performance-based upon fair, ethical, and professional business practices. In carrying out this policy, ASI will demonstrate its commitment to conducting business affairs in a socially responsible and ethical manner and to protecting and preserving the global environment.

POLICY STATEMENT

It is the policy of the ASI to procure only those items that are required to perform its mission and/or fill a bona fide need. Procurements will be made with complete impartiality based strictly on the merits of supplier proposals and applicable related considerations such as delivery, quantity, etc. The Director of Administrative Services is responsible for all functions related to the acquisition of supplies and services, including the overall administration of ASI’s procurement program and its compliance with campus and system-wide policies. All employees, volunteers, and grant recipients engaged in soliciting, pricing, negotiating, awarding and monitoring vendors, suppliers and contractors must observe these written policies and procedures. Failure to do so may result in disciplinary action up to and including termination.

DEFINITIONS

For purposes of this policy, the terms used are defined as follows:

Term	Definition
Budget Area Administrator	The authorized budget area signatory listed on the Signature Authorization Card
Fixed Assets	Furniture, equipment or building improvements exceeding \$1,500 per unit
Blank Purchase Agreements (BPA)	Negotiated agreements with select vendors for the recurring purchase of a small volume or small-dollar size items, such as office supplies, duplicating, etc.
Purchase Order	A document issued by a buyer to a seller indicating types, quantities, and agreed prices for products or services, used to control the purchasing of products and services from external suppliers
Personal services	Services performed for ASI by firms or individuals where ASI does not have the right to direct the worker in the performance of duties for compensation. Such firms and/or individuals are considered independent contractors
General Provisions	Specific minimum terms and conditions to which a contractor must agree in order to provide services to the ASI.
Progress Payment	Any partial payment of a contract price payable during the progress of the work.

Three-way match	A three-way match of an invoice to a copy of the corresponding purchase order, contract, or other requisition form; and packing slip showing that the item has been received.
Two-way match	A two-way match of an invoice against a packing slip or receiving report.

STANDARDS AND PROCEDURES

1.0 PROCUREMENT AUTHORITY

Procurements are authorized only when written on a purchase order or approved contract form issued through the A.S. Business Office and signed by the Executive Director, Associate Executive Director, Director of Administrative Services, or their designees. No other group or individual is authorized to act as an agent of the ASI in any manner that would commit the assets or funds of the ASI. Individuals who place verbal or other unauthorized orders do so at their own risk. In such cases, the vendor will be instructed to pursue the individual who placed the order for payment.

All requests for purchase must be submitted on a Request for Payment or Purchase (RPP) form and approved by the Budget Area Administrator.

1.1 CONFIRMING ORDERS

In order to expedite procurement of frequently needed small-dollar items, authorized Budget Area Administrators may place orders for up to \$5,000 directly with vendors. To determine whether an order is under \$5,000, the combined total cost of all items and shipping must be \$5,000 or less. Sales tax is not counted in determining if an order is \$5,000 or less. Splitting orders in order to meet the \$5,000 criteria is strictly prohibited.

Budget Area Administrators are responsible for confirming that funds are available before placing direct orders.

The following items cannot be ordered on a confirming basis.

- Fixed Assets (furniture, equipment or building improvements exceeding \$ 5,000 per unit) unless purchased under a Blanket Purchase Agreement.
- Consulting Services
- Professional Service Agreements exceeding three months in duration or \$2,500 in total cost.

1.2 CREDIT CARDS

Authorized Budget Area Administrators with frequent purchases may be issued an employer-sponsored, employee-liability credit card from American Express or Bank of America. For purchases under \$1,000, the authorized Budget Area Administrator may authorize the purchase directly with the vendor following prior approval from their immediate supervisor. Refer to Section 4.0 on Procurement Cards for further regulations governing the use of purchase cards.

1.3 BLANKET PURCHASE AGREEMENTS

Blanket Purchase Agreements (BPA) are negotiated agreements with select vendors for the recurring purchase of a small volume or small-dollar size items, such as office supplies, duplicating, etc. Authorized Budget Area Administrators wishing to participate in the Blanket Purchase Agreement must complete a participation application specifying personnel authorized to place orders under the BPA and the maximum dollar amount authorized for each.

The Executive Director or designee must approve all Blanket Purchase Agreements.

2.0 PURCHASE ORDERS

A written purchase order will be required in the following instances:

- When required by the supplier
- The value of a purchase exceeds \$5,000 and is not being purchased under a BPA
- The term of a service agreement exceeds three months

A purchase order may be approved as follows:

- Up to \$ 10,000 by the Director of Administrative Services
- Over \$ 10,000 by the Executive Director or Associate Executive Director

In addition, the Executive Director must approve all lease agreements and all agreements for real property regardless of cost.

3.0 CONTRACTS

Personal services are defined as those services performed for ASI by firms or individuals where ASI does not have the right to direct the worker in the performance of duties for compensation. Such firms and/or individuals are independent contractors and are not employees of the ASI.

When initiating procurement of personal services, the proper type of contract agreement must be selected, appropriate clauses must be included, and appropriate controls instituted over the contracted effort. There are standard contracting forms available for use by ASI for a variety of functional applications. If there is any question regarding the proper form to use for a specific application, it is advisable to contact the ASI Director of Administrative Services for clarification. Using the wrong form or preparing a hybrid form to try to suit the occasion can lead to a myriad of potential problems, including legal ones. No deletions, additions, or significant variations from the format or content of a standard form developed and approved for ASI use is permitted without prior authorization from the Director of Administrative Services.

Except in cases of emergency to protect human life or ASI property, work shall not commence on any contract until the contract has been approved by the Director of Administrative Services or designee. Any work performed by the contractor before the date of approval may be considered as having been done at the contractor's own risk, and potentially as volunteer work.

3.1 GENERAL PROVISIONS

There are specific minimum terms and conditions (referred to as "General Provisions") to which a contractor must agree in order to provide services to ASI. The exact wording of these Provisions may not be altered without pre-approval from the Executive Director or Director of Administrative Services . These provisions become an integral

part (whether referenced or stated in print) of every contract issued. Additional provisions may be added whenever needed, and some of the General Provisions may be deleted if they are not applicable. However, none of the General Provisions may be altered, and none that are required under ASI regulations may be deleted.

Terms and conditions beyond the minimum standards may be incorporated into a contract whenever there is concurrence between ASI and the contractor that such terms and conditions are necessary to convey a clear understanding of each party's role, its obligations, and the parameters in which the activities must be carried out. Such additional terms and conditions, whether proposed by ASI or by the contractor, must first be determined to be consistent with all applicable laws, regulations, and policies prior to the contract being executed.

3.2 PROGRESS PAYMENTS

If a provision in the contract calls for progress payments to be made, they shall be made at clearly identifiable stages of progress, and be based upon written progress reports submitted with the contractor's invoices. Progress payments shall not be made in advance of services rendered.

Contracts awarded based on competitive bidding may not be modified unless (a) the contract includes a provision for amending or modifying it, or (b) unforeseen additional work becomes necessary (as confirmed by ASI).

3.3 INDEPENDENT CONTRACTORS AND CONSULTANTS

Service contracts between ASI and individual contractors (including "consultants") must confirm that an independent working relationship will exist between the two parties for the entire term of the agreement. This is accomplished by completing an Independent Contractor Checklist and an Independent Contractor Agreement and by adhering to the provisions contained therein.

Bids may or may not be solicited for an independent contractor depending upon (a) whether the cost of the contract is estimated to be \$15,000 or more, and (b) whether the proposed provider of the service is considered a sole (unique) source.

The requesting department must confirm that the proposed contractor is not an employee of the ASI or the university. A contract shall not be awarded until this determination is documented.

Consulting agreements are subject to the same policies and procedures as service agreements in general. Additional requirements include the following:

3.3.1 CONFLICT OF INTEREST

If a consultant provides services for the preparation or development of recommendations for any actions required, suggested or otherwise deemed appropriate and which include the provision, acquisition or delivery of products or service; then the consultant must provide full disclosure of any financial interest including but not limited to service agreements, memos of understanding, and/or re-marketing agreements that may foreseeably allow the consultant to materially benefit from the adoption of the recommendations.

3.3.2 SPECIAL PROVISIONS

The following applies to the preparation of consultant contracts:

- Consulting contracts shall be prepared on the Independent Contractor Agreement.

- Consultant contracts shall not be issued to ASI or University employees.
- An ASI project manager shall be identified for each consulting contract. The project manager serves as the ASI's primary point of contact with the consultant and shall approve all payments to the consultant.
- Payments to the consultant shall be based upon a scheduled deliverable or task which has an itemized cost and has been approved by the project manager. Payments shall not be made based upon the number of hours worked, and shall not be paid in advance of the services performed.
- Contracts will list the rate of compensation to be paid for all consideration and other expenses. Reimbursement of transportation costs and an allowance for per diem (while traveling) should be in conformance with the ASI reimbursement policies applicable to ASI employees.
- If a "progress payment" has been requested, payment shall be based upon a written progress report submitted with the consultant's invoice. The ASI shall retain at least 10% of the amount earned, pending satisfactory completion of the entire contract and the work evaluation of the consultant.

3.4 INSURANCE REQUIREMENTS

Evidence of general liability insurance coverage is required for contracts involving any activities that put ASI, the State, the CSU, or the campus, at risk. Such agreements include those for custodial services, landscaping, refuse collection, elevator maintenance, shuttle bus services, pest control and fumigation, excavation or demolition work, the use or rental of cranes, and any other contracts where the services are being performed by independent contractors.

Any contract that may involve risk of injury or damage to persons or property shall protect ASI, the CSU, and the University against liability by requiring the contractor to carry general liability insurance in an amount no less than \$1,000,000 per person, and no less than \$2,000,000 aggregate per occurrence. These limits of coverage are minimum amounts, and in any situation where an unusually high risk of liability is present, the ASI may require the Contractor to carry insurance with higher limits.

Contracts requiring insurance coverage shall contain the following provisions:

- Contractor shall furnish ASI prior to the commencement of work an underwriter's endorsement with a certificate of insurance stating that there is liability insurance presently in effect for the Contractor with a combined single limit of not less than \$1,000,000 per occurrence, and \$2,000,000 aggregate; and that vehicle insurance (where applicable) is in effect with a minimum coverage of \$1,000,000 per occurrence. The certificate of insurance shall provide:
 - That the insurer will not cancel the policy holder's coverage without thirty (30) days prior notice to ASI;
 - That the State of California, the Trustees of the CSU, the CSU, CSULB, ASI and the employees, officers, and agents of each of them, are included as additional insureds, but only insofar as the operations under the contract are concerned;
 - That the State, the Trustees, the CSU, CSULB, ASI and the employees, officers, and agents of each of them shall not be responsible for any premiums or assessments on the policy.
 - The contractor shall agree that the bodily injury liability insurance herein provided shall be in effect at all times during the term of the contract. In the event said insurance coverage expires at any

time or times during the term of this contract, Contractor shall agree to provide at least (30) days prior to said expiration date, a new certificate of insurance evidencing insurance coverage as provided herein for not less than the remainder of the term of the contract, or for a period of not less than one (1) year.

- New certificates of insurance are subject to the approval of ASI, and the Director of Administrative Services shall agree that no work or services shall be performed before receiving such approval. In the event the Contractor fails to keep in effect at all times insurance coverage as herein provided, the ASI may in addition to any other remedies it may have, terminate the contract upon the occurrence of such event.

Certain on-campus events shall require evidence of coverage, whenever they pose a significant level of risk. These include, but are not limited to, athletic events, automobile or motorcycle races, rodeos, thrill shows, and firework displays.

No project work or event activity may commence until the required insurance documents are on file, and it is critical that insurance is in effect for the entire contract term. If the insurance coverage expires during the contract term, new certificates must be obtained before the contract expiration date. The Business Office shall coordinate with other departments regarding projects that extend beyond the initial insurance period.

Contracts involving the handling, removal, or disposal of hazardous materials shall be developed in accordance with the CSU's model contract for hazardous material removal, and comply with all State and Federal requirements. This model can be found at the CSU website address.

3.5 CONTRACTS FOR GUEST ARTISTS AND LECTURERS

Payment for a guest artist performance or lecturer's appearance may be processed as a direct payment by completing and attaching an Artist Agreement or Speaker Contract to a Request for Payment or Purchase. Sole source justification is not required due to the unique nature of the service. The Artist Agreement or Speaker Contract must be reviewed, approved, and countersigned by the ASI Business Office before processing for payment. After execution of the agreement, a copy of it shall be retained in the Business Office's files with a copy of the RPP.

4.0 PROCUREMENT CARDS

The following regulation has been developed to provide a framework for the acquisition and use of credit cards issued in the name of the ASI or under its corporate sponsorship. The ASI recognizes that corporate credit cards represent a convenient alternative to other more time-consuming procurement procedures, particularly for handling last-minute travel or other emergency expenditures. Nonetheless, the issuance of corporate credit cards places a special obligation on officers and employees to demonstrate accountability and to avoid any appearance of impropriety.

4.1 APPLICATIONS FOR CREDIT

All applications for corporate credit cards must be reviewed and approved by the Director of Administrative Services . All credit applications will specify a credit limit of no greater than \$5000 unless specifically authorized by the Director of Administrative Services .

4.2 CUSTODIANSHIP OF CREDIT CARDS

Bank of America Business Visa cards are sponsored by the ASI but are issued in the name of individual officers or employees. They are corporate cards and can only be used for ASI business related purchases only. The cardholder maintains possession of the card and is responsible for its proper use and security.

The American Express corporate card and Bank of America Visa corporate cards are issued in the name of the ASI. Unless otherwise authorized by the Director of Administrative Services , such cards must be kept in the ASI Business Office vault under the custodianship of the Vault Teller. Such credit cards will only be released to officers or employees of the ASI. Recipients will be required to sign a checkout card, confirming each credit card received. All credit cards must be returned within five business days of checkout.

All lost or stolen credit cards must be reported to the ASI Director of Administrative Services immediately. For cards issued in the name of the ASI, the ASI Director of Administrative Services will assume these responsibilities.

4.3 CREDIT CARD PURCHASES

To qualify for reimbursement, purchases with corporate credit cards must follow the same policy limitations as all other purchases (e.g., per diem meal and lodging allowances, competitive bidding, hospitality expense restrictions, etc.). Questions concerning whether an expense is reimbursable will be resolved at the discretion of the ASI Director of Administration .

As stated above, purchases on all business credit cards are restricted to legitimate business expenses as defined by ASI fiscal policy and Internal Revenue Service regulations. They may not be used for personal purchases, and such unauthorized use may result in disciplinary action up to and including termination.

4.4 PAYMENT PROCESSING

Cardholders are responsible for initiating payment of all charges incurred on corporate credit cards. They must file the Employee Expense Report to obtain reimbursement for legitimate business expenses. Original receipts, credit slips, or confirmation notices (for telephone or Internet charges) must accompany the Employee Expense Report or Revolving Fund Expense Report used to request reimbursement. Cardholders are advised to submit reimbursement requests in a timely manner in order to avoid personal cash flow problems.

Payment of balances owed on all credit cards may be processed as direct payments to the credit card issuer. The card user must nonetheless submit all receipts, invoices, etc. for purchases made, along with a properly executed RPP requesting payment to the card issuer.

5.0 COMPETITIVE BIDDING

Competitive bidding shall be required for all contracts exceeding \$50,000 and all purchases exceeding \$10,000 . Bids must be received by a minimum of three suppliers. Otherwise, a single source justification must be prepared and submitted to the Executive Director or designee for approval.

Public notice of the intent to formally request supplies or services from the open market must be posted in a location easily accessible to any bidder who may wish to participate in the competition for a contract award. Complete copies of the bid or proposal solicitation document must be maintained in the Business Office and made available to any interested bidder upon request.

For purchases exceeding \$100,000, the solicitation effort may also include a public announcement, including a brief description of the work to be performed, the closing date and time for bids or proposals to be received, and the location where complete copies of the solicitation document may be obtained.

All competitive bids must be sealed and delivered to the Director of Administrative Services and/or the the Budget Area Administrators.

In evaluating bids received, the Director of Administrative Services and/or the Budget Area Administrators will perform and document a cost or price analysis.

When a vendor is given the opportunity to re-bid a requirement, all vendors still under consideration will be given an opportunity to reconsider and re-submit their bids.

5.1 EXCEPTIONS TO COMPETITIVE BIDDING REQUIREMENTS

There are occasions when the solicitation of competitive bids is impractical or inadvisable. These are exceptions to the rule. They include the following:

1. In cases of emergency where a contract is necessary for the immediate preservation of the public health, welfare, or safety, or the protection of ASI property and programs
2. The proposed contract is with a State or federal agency, a local government entity, or another auxiliary organization of the CSU
3. Contracts with performing artists such as speakers, guest lecturers, and performers.
4. Contracts for which only per diem and travel expenses are paid and there is no payment for services rendered
5. Contracts for the express purpose of obtaining legal counsel. These must be submitted to the Executive Director for approval.
6. Contracts with business entities operating handicapped workshops which meet the criteria stated in Section 19404 of the Welfare and Institutions Code
7. Contracts that have been certified by the Executive Director to best serve the interests of the ASI by not being subjected to competitive bidding.

5.1.1 SOLE SOURCE EXCEPTIONS

Exceptions to the competitive bidding requirement may also be permitted if it can be proven that the goods or services to be purchased are available through only one supplier. A request for a sole-source acquisition must include a written justification explaining why the sole source is necessary to satisfy the needs of the requester. The justification shall include the following information:

- The unique performance factors required
- Why these factors are required
- What other sources have been considered, rejected, and why

The determination as to whether procurement has been adequately justified in writing for a sole source award shall be approved as follows:

- Up to \$10,000 by the Director of Administrative Services
- Over \$10,000 by the Executive Director.

5.2 NEGOTIATION AND AWARD

As opportunities arise, the Director of Administrative Services will reconsider all prices received and seek opportunities to renegotiate a vendor/ supplier's price, delivery, payment, etc., to obtain purchase discounts or other concessions. Any negotiations conducted will be documented in the purchase order/contract file.

An award may be made to other than the low bidder in circumstances where the higher bid demonstrates the best value to ASI. In such situations, the requesting department shall prepare a justification statement for such awards, furnishing a brief explanation of the factors leading to such a decision. All proposed awards to the non-low bidder must be approved by Executive Director.

6.0 AUTHORIZED VENDORS

To support the principle of open and fair competition, and to make possible the quick identification of known product or service sources, the ASI Business Office will maintain active vendor and contractor files on all products & services that are likely to be required by ASI in the course of conducting business. The ASI Business Office will maintain and update the list of authorized vendors and suppliers based upon formal solicitations, literature received, authoritative lists of suppliers (i.e., Thomas Register), suppliers previously used, and other sources. Budget Area Administrators may forward vendor names to the Director of Administrative Services for consideration of adding to the approved vendor list. All non-confirming purchases processed through ASI's procurement system must be made from authorized vendors. Before issuing a purchase order or payment to a supplier, the ASI Business Office must confirm that the supplier is an authorized vendor of the ASI.

In selecting a vendor, the Controller will consider the price, terms, and conditions that the vendor offers. Generally, price is the most important consideration in vendor selection. In some cases, however, factors such as payment terms, product quality, existing equipment compatibility, and delivery schedules are more important.

As a recipient of federal funds, the ASI is encouraged to use its best efforts to make purchases from "disadvantaged" businesses, including minority-owned, disabled veteran-owned, women-owned, and/or small businesses. ASI has obtained both local and statewide directories that list businesses included in these categories. Departments are encouraged to use these directories for identifying vendors.

The ASI Business Office will purge the Supplier List annually of vendors the ASI no longer does business with or with which ASI chooses to avoid doing business.

6.1 RECYCLED PRODUCTS

Purchases of materials, goods, and supplies that are recycled or have recycled material within their content shall be given preference whenever suitability and quality are equal and the cost of such products is no greater than that of their non-recycled counterparts. Budget Area Administrators are required to ensure the purchase of materials, goods, and supplies that may be recycled or reused when discarded, whenever it is feasible to do so.

The CSULB Purchasing Office maintains a library of recycled-content products and suppliers and can inform purchasers when a comparable recycled-content product is available.

7.0 RECEIVING

All materials, supplies, and equipment ordered on a non-confirming basis from off-campus vendors must be delivered to the USU Loading Dock, except as noted below. When an order arrives, staff shall inspect it against the purchase order or confirming the order for quality, quantity, and description and sign the packing slip.

Deliveries for the Recycling Center, Student Recreation and Wellness Center, , and the Isabel Patterson Child Development Center may be made directly to those respective locations.

8.0 PAYMENT OF PURCHASES

All invoices for services, materials, supplies, and equipment from off-campus vendors must be mailed directly to the ASI Business Office, Attention: Accounts Payable.

8.1 TWO AND THREE-WAY MATCHING OF PURCHASE ORDER (PO) COPIES

The matching of a purchase order and invoice copies is designed to assure that delivery has been made, that the items received are the items ordered, and that the price is correct, prior to payment being remitted to the vendor.

The three entities normally involved with this process are the purchasing Budget Area, the Budget Area Administrator, and the Expenditure Technician. When the Expenditure Technician receives the invoice from the vendor, he/she will perform a three-way match of the invoice to:

- A copy of the corresponding purchase order, contract, or other requisition form; and
- A packing slip or second copy of the purchase order from the department, signed by department personnel, showing that the item has been received.

A Confirming Order made by a requester, where the item is picked up directly from the vendor, does not require a three-way match of purchase order copies to the invoice since the item is not delivered to the USU Loading Dock by the vendor. It requires only a two-way match of the invoice against the packing slip or receiving report, signed by an individual other than the individual authorizing payment.

The authorized Budget Area Administrator must notify the ASI Business Office that the goods or services have been received. This is done by completing a Request for Payment or Purchase (RPP) form and submitting it with the invoice or receipt. The individual authorizing the RPP must NOT be the individual who signed the packing slip.

9.0 PROHIBITED PURCHASES AND PURCHASING PRACTICES

ASI expressly prohibits the purchase of certain products and substances. Authority to purchase certain other items is restricted to designated offices and/or individuals. The Business Office periodically distributes lists of these items and issues notices of other items being added to the list or (occasionally) items being removed from the list. Some of the items that are prohibited or restricted include, but are not limited to:

- Live animals (except when approved by the Executive Director or approved designee)
- Radioactive materials
- Hazardous substances such as solvents, toxic materials, and chemicals (except for USU)
- Ethyl alcohol, narcotics, and dangerous drugs
- Tobacco and tobacco products
- Firearms and other weapons

- Precious metals
- Explosives

9.1 SWEATSHOP-FREE PROCUREMENT

ASI supports the premise that employers should fairly compensate employees, that the health and safety of workers should be protected, and that no form of discrimination or abuse should be tolerated. In its role as a market participant that procures equipment, goods, materials, and supplies, ASI seeks to protect its interests by ensuring that the integrity of its procurement process is not undermined by contractors who engage in sweatshop practices. Accordingly, ASI budget areas making any purchases of t-shirts, sweatshirts, baseball caps, footwear, and other items of apparel shall choose from a list of manufacturers proven to be free of sweatshop working conditions, and offering items at a competitive price. The list of approved companies and licensees can be found at the Fair Labor Association web site (<http://www.fairlabor.org>)

All requests for bid or quote on t-shirts, sweatshirts, baseball caps, etc. shall include a copy of this regulation. To determine whether a bid is responsive in terms of these criteria, ASI may consider information obtained independently of the bid from the following sources: the manufacturer, the distributor from whom the goods are purchased, reputable national and international organizations, well-documented media reports, and well-documented information from local organizations that are knowledgeable about this topic. Sweatshop-free procurement support may also be provided by the A.S. Business Office.

ASI shall provide individual employees who receive clothing or footwear allowances, or who make reimbursable purchases of work clothes or footwear, information on local retailers, wholesalers, or known manufacturers of sweatshop-free items, and encourage those employees to make purchases from those sources.

9.2 PERSONAL USE OF ASI INFORMATION

Unless specifically stated within the terms and conditions of employment or contractual relationship, it is unlawful for a person to utilize any ASI information that is not a matter of public record, for personal pecuniary gain. Prohibition of such utilization applies whether or not a person is or is not so employed or under contract at the time the gain is realized. (Reference: Education Code 89006)

The use of ASI procurement procedures to obtain property or services for personal use or misrepresentation to vendors or contractors that personal acquisitions are for the ASI when they are not can result in prosecution for misrepresentation, embezzlement, and theft.

9.3 ENDORSEMENT OF PRODUCTS OR SERVICES

No person shall, without the permission of the ASI Board of Directors, use the name "Associated Students, Incorporated" or any abbreviation of it or any name of which these words are a part, for endorsements of any commercial product or service through the use of advertisements or promotions.

9.4 SPLITTING OF PURCHASE ORDERS OR CONTRACTS

No person shall willfully split a single transaction into a series of transactions for the purposes of evading bidding requirements as is prescribed in law, regulations, or ASI policy.

9.5 ADVANCE PAYMENTS

Payment in arrears is the prescribed method of remitting payments for ASI acquisitions. Documentation is required to be recorded by the ASI Business Office that appropriate return and/or in-kind value has been received before disbursement of funds can be made. Advance payments are prohibited, except in the following instances:

- Where it can be determined that there is no other way to obtain the service or commodity
- Where the advance payment is determined to be in the ASI’s best interests, or
- Wherever specifically authorized by the appropriate Division Director

10.0 INTERNAL CONTROLS

The Director of Administrative Services will monitor the overall integrity of the purchasing system and the extent of competition, contractor oversight, maintenance of the highest standards of conduct, and adequacy of purchasing documentation.

The monitoring system will include at a minimum the following elements:

- Published standards of conduct and business ethics covered in fiscal and personnel policies that is reviewed at least annually.
- The recording of annual Conflict of Interest forms which are turned in by requisite managers during their employee benefits confirmation process.
- Instituting a management program to periodically interview contractors to determine if there have been any irregularities or questionable conduct in dealing with ASI's Budget Area Administrators.
- Publishing a "Hotline" or similar mechanism to be used by employees or contractors to report wrongdoing.
- Instituting a policy requiring the reporting of unethical conduct to management and subsequent restitution of any gain resulting from such conduct.

The Director of Administrative Services will, on an on-going basis, maintain surveillance of any breaches of ethical conduct, persistent and recurring breakdowns of supplier performance, etc.

Annually, the Director of Administrative Services will audit a sample of purchasing documentation for the extent of competition, the reasonableness of prices obtained, the extent of price or cost analysis conducted, flow down of contract clauses, etc.

FORMS

The following forms are to be used in the execution of this policy.

Form Name	Purpose	Responsible Office	Approved By	Timeline for Submission
Artist Agreement	To procure the services of a visual or performing artist for which compensation will be provided	A.S. Business Office	Controller	At least seven (7) business days before the desired date of disbursement. Must be submitted with an

				RPP, IRS Form W-9, and EDD Form DE-542
Employee Expense Report	To document the purchase of goods or services by an employee for official ASI business for which the employee is entitled to reimbursement.	A.S. Business Office	Budget Area Administrator or next higher level of management	At least four (4) business days before the desired date of reimbursement
Independent Contractor Agreement	To procure the personal services of an individual who is not an employee of ASI for which compensation will be provided	A.S. Business Office	Director Of Administrative Services	At least seven (7) business days before the desired date of disbursement. Must be submitted with an RPP, IRS Form W-9, EDD Form DE-542, and Certificate(s) of Insurance.
Independent Contractor Checklist	To document the relationship between ASI and any individual providing personal services to ASI	A.S. Business Office	Authorized budget area signatory	Must be submitted concurrently with the Independent Contractor Agreement.
Check Request Form	To request a check or purchase order	A.S. Business Office	Authorized budget area signatory	At least four (4) business days before the desired date of disbursement
Cash Reimbursement Request Form	To request cash reimbursement for the purchase of goods or services totaling less than \$100 plus tax	A.S. Business Office	Authorized budget area signatory	Between 9 a.m. and 5 p.m., Monday through Friday (except holidays). Only one filing per person per day.
Signature Authorization Card	To identify and provide specimen signatures of those persons authorized to make transactions on an ASI budgetary account	A.S. Business Office	Authorized budget area signatory and A.S. Business Office	At or near the beginning of the fiscal year (July 1) and revise anytime signature authority changes
Speaker Contract	To procure the services of a guest speaker or lecturer for which compensation will be provided	A.S. Business Office	Authorized budget area signatory	At least seven (7) business days before the desired date of disbursement. Must be submitted with an

				RPP, IRS Form W-9, and EDD Form DE-542
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