Low Dollar Orders

I. Divisional, School or College staff, with proper delegation, may place orders $5,000 or less, using specific Low Dollar Order/External Requisition forms (LDOs) or the Purchasing Card. Without delegation, authority to place orders is $100 or less.

A. Delegation is obtained through the completion of the block titled "Requisitions -Low Dollar Order Delegation $5,000 and below (3.2.11)" and completion of other required information and signatures on the Authorized Signature Form. The blank form is available at the Purchasing Forms site.

B. The delegation is the responsibility of the signers of the Low Dollar Order Delegation portion of the Authorized Signature Form. It is expected that staff that have not signed the Authorized Signature Form may be assigned duties in conjunction with the delegation. Additional staff may be authorized to acquire and use a Purchasing Card within the organization's delegation limits and in accordance with the Purchasing Card procedure. Those staff are not required to sign the Authorized Signature Form; but it is understood that the signers of the Authorized Signature Form are responsible for the delegation requirements and the actions of staff assigned to fulfill those requirements.

II. The Unit Business Representative will ensure that single points of contact exist for the collection of records for audits of the delegation at those organizations in which delegation is exercised at organizations within the School, College or Division.

III. Formal training is recommended for staff exercising delegation authority. Such training includes, but is not limited to Low Dollar Order and other training conducted by Business and Financial Services. Such training is listed on the BFS Training page or provided on request. Staff exercising delegation authority must, at minimum, be briefed in this Administrative Services Manual section and those other sections referenced within this section; and must understand and comply with University work rules as they relate to procurement duties.

IV. Transactions are restricted by size, frequency and type.

A. Individual purchases may not exceed $5,000.

B. Serial contracting is forbidden. Serial contracting is defined as the placement of multiple purchases by the same departmental program totaling more than $5,000 over a twelve month period to the same vendor without a competitive process or waiver of bidding. Serial contracting is subject to the unauthorized purchasing process as published in Procedure 3.2.4 – Non-Conforming Purchases.

C. Material Safety Data sheets must be requested for hazardous chemicals listed in OSHA Standards 29CFR, Part 1910, Subpart Z. Links to on-line data bases of such data sheets are available at the University Safety and Assurances web site.

D. The purchase must be appropriate to the mission of the ordering department.
E. No blanket orders or maintenance contract orders may be established on a LDO. Requisitions for all types of blanket orders and maintenance contracts must be routed through Purchasing for order placement.

F. All staff are cautioned to avoid conduct which is unfair to the vendor community or is ethically unsound. Guidelines on proper conduct are contained within Procedure 3.3.15 – Ethical Conduct in Procurement Transactions and the State and System policies cited in that manual section.

V. The following procedures will be used in placing Low Dollar Orders directly with vendors:

A. If the order is issued by means of a Purchasing Card, follow the procedures in the Purchasing Card procedure and the Purchase Check List. The vendor should be instructed to honor State, System or Campus contract pricing, if such exists.

B. If the order requires a new LDO form, the ordering department completes the form in accordance with the instructions in Procedure 3.2.1 – Requisition Preparation, to include the Purchase Check List.

1. If the order is telephoned or faxed to the vendor, the LDO description should include: "TELEPHONE ORDER PLACED WITH (full name of person contacted and date) BY (initials of individual placing the order)-DO NOT DUPLICATE" - or - "FAX ORDER TRANSMITTED TO (fax number) ON (date) BY (initials of individual placing the order)-DO NOT DUPLICATE."

2. If the order is telephoned to the vendor, it is recommended that a copy of the LDO with the second page (Standard Terms and Conditions) be mailed to the vendor to document the order in writing and convey the terms and conditions to the vendor. If the order is telephoned to the vendor, be certain that the vendor understands that the purchase order number must appear on the resulting invoice or that invoice will be rejected.

3. The original copy of the LDO is immediately routed to Accounting Services with original signatures of approvers required by the department, division, school or college.

4. The ordering department is responsible for tracing delivery on product or service not received and for product returns, replacements and credits for items ordered on LDOs.

VI. Accounting and post-audit functions are performed on LDOs.

A. Accounting Services reviews LDOs for appropriateness, approvals and funding; and enters the requisition data on the Financial System. LDOs lacking proper approvals are returned to the ordering department.

B. Purchasing reviews the LDO for proper vendor selection and to collect data for reporting purposes. No formal purchase order is produced; nor is a copy of the LDO returned to the ordering department unless circumstances, such as error in preparation, warrant it.

C. Audits are performed of LDOs by Internal Audit, Purchasing and Accounts Payable to correct improper application of LDO procedures.

VII. Call Purchasing for guidance or send a requisition through the normal approval channels of Accounting Services and Purchasing for order processing if you are uncertain about proper procedure or do not want to process the order yourself.

Questions regarding Low Dollar Order procedures should be directed to Purchasing.