

**California State University, Los Angeles (“Cal State LA”) Foundation (“Foundation”)  
Policies and Procedures**

**Subject: Purchasing Policy**

**Approved:** September 27, 2007

**Revised/Approved:** January 24, 2013

**Revised/Approved:** January 29, 2015

**Revised/Approved:** April 27, 2017

1.0 PURPOSE

To establish procedures governing procurement of materials, supplies, equipment and services.

2.0 POLICY

The Foundation, in accordance with Cal State LA Administrative Procedures 209 and 218 will provide account holders with the ability to expend funds through the use of Check Requisitions, Purchase Orders and Agreements. Expenses must fall within the mission of the Foundation as defined by the respective statutes of The CSU Board of Trustees and Cal State LA policy.

The Foundation shall follow the Cal State LA’s Accessibility Equipment and Information Technology Procurement procedures.

Expenditures to be directly reimbursed to the Executive Director for the Foundation, to the procurement card or for travel must be approved by the President of Cal State LA, or his designee, or the Treasurer for the Foundation, or Cal State LA’s Chief Financial Officer. All expenditures and purchase orders must be supported by documentation specific as to date, purpose and benefit to the Foundation. Acceptable expenditures might include:

- 2.1 Student activities not supported by other funds;
- 2.2 Other items not specifically listed, which will advance the objectives of the Foundation, excluding travel expenses, which are to be processed according to the Foundation’s Travel Policies and Procedures;
- 2.3 Appropriate procurement card purchases;
- 2.4 The Hospitality Event Form will be submitted by manager responsible for event to the Vice President for University Advancement for signature approval prior to the proposed event. The Vice President for University Advancement must submit hospitality form to the President or designee for approval; and,

- 2.5 Payment of or reimbursement for hospitality expenses are not permitted when these expenses are related to employee birthdays, weddings, funerals, anniversaries, and farewell gatherings that are not related to the active conduct of official University or Foundation business.

### 3.0 VENDOR SELECTION

- 3.1 Vendors may be selected at the discretion of the Executive Director for the Foundation. However, the following conditions apply:
- a. Expenditures must fall within the educational mission of the CSU as defined by the respective statutes, The CSU Board of Trustees policy and campus policy;
  - b. Expenditures must not be made which are specifically prohibited for auxiliary organizations either by statute, The CSU Board of Trustees policy, or campus policy;
  - c. The Foundation shall not expend funds for goods and services on behalf of Cal State LA and arrange in some way to be compensated for the expenditure by Cal State LA if circumvention of The CSU Board of Trustee policy or procedure would occur;
  - d. It is prohibited for any representative of the Foundation to personally derive any benefit from use of facilities available for the purchase of equipment, supplies or commodities;
  - e. All available discounts must be taken at the time of purchase;
  - f. Reasonable effort should be made to ensure the best price for purchases is secured. The Foundation should utilize the purchasing services of the University when doing so will provide a better discount or vendor;
  - g. Sole source vendors may be selected, particularly when time or location is a factor, or when vendor will provide monthly invoice billing, such as for office supplies, florists, or catering; and,
  - h. For purchases of \$50,000 and above, at least three written bids must be secured prior to purchase. Purchases and contracts must be awarded to the best value. The Executive Director may approve a bid from a vendor other than the lowest bidder when conditions such as quality, timeliness, sole source vendor, special features, etc. apply.

### 3.2 Pro Bono Services

Vendor wishing to provide pro bono services to the Foundation shall provide a fair market value for pro-bono services.

### 3.3 Discounted and At-Cost Goods and Services

- a. Intent should include a fair-market value of the services and the at-cost for goods provided.
- b. Invoices submitted for reimbursement by vendor should include specifics such as pass-through charges from third party vendors.

#### 4.0 ADVANCE PAYMENT

- 4.1 Advance payment may be made when it is in the best interest of the Foundation to do so. All advance payments must include a written estimate from the vendor and be approved by the Executive Director. Advance payments must be reconciled with actual receipts and invoices from the vendor within 30 days of payment.

#### 5.0 RESPONSIBILITIES

- 5.1 Colleges, Academic Departments/Divisions and Cal State LA Fiscal Officers will:

- a. Be responsible for notifying the Foundation of reimbursement requests;
- b. Verify prior to purchase that the expenditure is not restricted or prohibited according to guidelines for auxiliaries set forth by The CSU and/or Cal State LA;
- c. Turn the form in to the Office of University Advancement on behalf of the Foundation with all original back up, receipts and other pertinent documentation; and,
- d. Allow ten (10) working days from the receipt of the request in the Office of University Advancement on behalf of the Foundation for the request to be processed and payment or purchase order generated.

- 5.2 The Foundation will:

- a. Fill out check request and verify that all documentation is complete;
- b. Coordinate with Business Financial Services to confirm signature authority and availability of funds;
- c. Notify the appropriate College, Academic Department/Division or Cal State LA fiscal officer if a request is being denied and/or missing additional information;
- d. Secure the signature of the Executive Director or the Treasurer of the Foundation or the Cal State LA's Chief Financial Officer for final approval of all check requests or purchase orders;
- e. Obtain W9 Form from Vendor;
- f. Forward the check request or purchase order to Business Financial Services; and,
- g. Maintain account files for inquiries and audit purposes

- 5.3 The Office of Business Financial Services will:

- a. Issue a check or purchase order or return the items the Foundation, c/o University Advancement for departmental resolution;
- b. Notify the Foundation, c/o University Advancement, that the check or purchase order is available for pick-up in Administration 514, or that the check has been mailed as requested; and,
- c. Maintain account files for inquiries and audit.

#### 6.0 INDEPENDENT CONTRACTORS

- 6.1 When desirable, the Foundation may choose to fill short-term or long-term needs with the services of an independent contractor as defined in Internal Revenue Service Publication 1779 (rev. 3-2012). Such services may include, but are not limited to: special project data-entry, fundraising and technical services.
- 6.2 Prohibited arrangements include: contracting for services with any person already employed by California State University, Los Angeles or any of its recognized auxiliaries and any person who is related by blood or marriage to the Foundation representative authorizing the contract.
- 6.3 Independent contractors may not supervise, be reported to by, be supervised by, or report to any person to whom they are related by blood or marriage.
- 6.4 All contracts for services will comply with the ethical standards established by the Council for the Advancement and Support of Education (CASE) and the Association of Fundraising Professionals (AFP).
- 6.5 All contractees should sign and abide by the Terms of Engagement set forth in the contract for services issued by the Foundation.

## 7.0 COMMERCIAL FUNDRAISERS AND FUNDRAISERS COUNSEL

- 7.1 The Foundation will comply with all of the requirements of the California Nonprofit Integrity Act of 2004 as they relate to requirements hiring registration, and disclosure of commercial fundraiser and fundraising counsel.