Purchasing Requisition
Training

Training Manual & User’s Guide

2010
Official Procurement Policy

It is IIT’s policy to purchase materials and services in compliance with applicable law and to ensure that IIT procures appropriate and needed materials and services under terms and conditions that protect the interests of IIT, its students, and benefactors.

IIT’s Purchasing Procedure provides the minimum requirements to be followed. Departments may adopt procedures that are more rigorous, but not less than the IIT Purchasing Procedure. Documentation supporting adherence to procedures resides at the department level.

Our process requires:

• Advanced approval to incur costs. This approval is manifest in the requisitioning process.

• Use of a competitive process to insure optimal quality and service at minimum cost; to guard against manipulation of the purchasing process; and to provide opportunity for qualified vendors and Minority Business Enterprises (MBEs).

• Inclusion of MBEs in all competitive bid opportunities.
• Managed risk by requiring proof of insurance whenever services are provided on IIT property.

• Written change order requests. Changes to purchase orders will only be initiated with the participation and approval of the requisitioner.

• Per IIT Procedure No: Q-1, dated 05/06, “Authority for Negotiation and Approval of Contracts”; Contracts for goods and/or services in excess of $100,000 must be submitted to the General Counsel’s Office for review.

• Purchases related to grants and sponsored projects must follow all requirements of the funding agencies, which may be more restrictive than IIT’s Purchasing Procedure.

• Adherence to IIT Procedure No: P-1, dated 05/06, “Conflict of Interest Policy.”

Purchasing policy can be found at:

http://www.iit.edu/~controller/IIT_Official_Procurement_Policy.doc

Competitive Bidding is Fundamental to the Purchasing Process.

<table>
<thead>
<tr>
<th>Purchase Amount</th>
<th>Competitive Bid Required?</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; $2,500</td>
<td>No</td>
</tr>
<tr>
<td>≥ $2,500</td>
<td>Yes</td>
</tr>
</tbody>
</table>

– These amounts refer to a single requisition.
Regardless of the amount, IIT encourages the purchaser to do comparison shopping in order to identify the best price.

These are the document requirements for competitive bidding:

Total purchase order amount:

- $2,500 – 24,999
  - A Vendor Selection Form verifying receipt of 3 verbal quotes must be received in Purchasing before release of PO

- > $25,000
  - A Vendor Selection Form verifying receipt of three written bids must be received in Purchasing before release of PO

<table>
<thead>
<tr>
<th>Exceptions to Competitive Bidding</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Sole Source</td>
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<tr>
<td>• Disadvantageous to Competitive Bidding</td>
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<tr>
<td>• Inadequate competition</td>
</tr>
<tr>
<td>• Purchase of services for a specific professional, technical or artistic skill</td>
</tr>
<tr>
<td>• Emergency order situations</td>
</tr>
<tr>
<td>• Purchase covered by a consortium purchase agreement</td>
</tr>
</tbody>
</table>

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Exceptions to Competitive Bidding Requirement

1. **Sole Source Purchase** - Must include sole source justification memo to Purchasing before order will be released. Sole source means that there is no other source for the goods or services being purchased.

2. “**Disadvantageous to Competitive Bidding**” - These purchases are directed to vendors that, while not sole source providers of goods and services, are in a unique position to deliver maximum value to IIT. The written request for exemption from the competitive bid process must describe why its use would be “Disadvantageous”. The Director of Purchasing may: approve the request; ask further questions for clarification; or may reject the request and require competitive bidding. Some examples of “Disadvantageous to Competitive Bidding” would be:
   
   a. situations in which the competitive bid process would require IIT to put at risk confidential information;
   
   b. where “set-up costs” involved in changing vendors would be excessive;
   
   c. or when the purchase is for goods and/or services from a vendor that had previously been chosen to provide those goods and/or services through a competitive bid process conducted within the last six (6) months AND there has been no change in the cost of those goods and/or services.

3. Where, after solicitation of a number of sources, *competition is deemed inadequate*. Written description of the extent to which attempts were made to solicit bids is required.

4. Purchase of services for a *specific professional, technical, or artistic skill*. A written explanation of the specific nature of skill set is required.

5. *Emergency order* situations that don’t permit the delay resulting from competitive solicitations.

6. The purchase is covered by a *consortium purchase agreement*. This includes agreements that IIT has entered into on its own behalf (the preferred vendor agreements as listed on Purchasing’s website) and agreements in which IIT is a participant along with other schools.
IIT’s approval policy is driven by the Sarbanes-Oxley Act of 2002, (Pub. L. No. 107-204, 116 Stat. 745, also known as the Public Company Accounting Reform and Investor Protection Act of 2002), which requires that management take an active role in financial management and not delegate this responsibility to subordinates.
Purchasing’s Requisition Checklist

- Delivery date specified?
- “Attention To” shown?
- Vendor entered?
  - New Vendor?
    - Contact information including vendor name, phone, address, fax, and email?
- Document Text explanation of vendor selection process?
  - Do requisitioners explain process that is in agreement with IIT policy?
  - Have requisitioners succeeded in telling their story?
- Commodity entered and from the Banner Database?
- Brief but clear description including Item Text if necessary
- Unit of measure set?
- Quantity entered?
- Price per unit of measure entered?
- FOAP entered?
- Any zeros in commodity lines?
- Any zeros in FOAP lines?
Requisitioning

Before entering a requisition, make sure you have:

- Competitive Bid Information
  - If the order is greater than $2,500 (and less than $25,000), have information for 2 total verbal quotes.
  - If the order is greater than $25,000, have information for 3 total written bids.
- Completed a Budget Quick Query (to check for funds before proceeding)
  - Write down FOAP string!
- All of your order information

Entering a Requisition:

1. Log into MyIIT, select the Banner Finance Tab → “Banner SSO” → INB

2. In the “Go To” Field, type FPAREQN

   Go To… FPAREQN

3. Press Enter on your keyboard

4. In the “Requisition:” Field, type NEXT

5. Click on the Next Block key in the toolbar (Or Block → Next )

6. In the “Delivery Date” Field, enter the delivery date (if you know it) OR enter the date that is today + 2 business days.
Requestor/Delivery Information Tab

7. Confirm that the Ship To Address information is correct.
   - If you are shipping to a different on-campus location, click on the Search button, then scroll through the list to find the correct Ship To location in the list.

8. In the “Attention To:” Field, type in the name of who is receiving the goods or services from the vendor and their room number.

   Attention To: Jane Smith, Room 101

9. Review that the information on the Requestor/Delivery Information page is correct, then Next Block -or- using your mouse, click on the Vendor Information Tab

Vendor Information Tab

10. First, to search for the vendor, click on the search button next to the “Vendor:” Field.

11. In the “Option List” Window, use your mouse to click on “Entity Name/ID Search”

12. Using your mouse –or- the Tab button on your keyboard, move the cursor to the “Last Name” Field

13. Utilizing the wildcard (%) in searching for the Vendor Name, type the percent sign, drop the first letter of the name, type a few more letters of the name, and then finish with the percent sign. If the Vendor’s name is more than one word, only search using ONE of the words.
Examples:

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Type to Search</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dell Marketing</td>
<td>Dell%</td>
</tr>
<tr>
<td>Fisher Scientific</td>
<td>Fisher%</td>
</tr>
<tr>
<td>Thompson Printing</td>
<td>Thompson%</td>
</tr>
</tbody>
</table>

14. A list will populate with all of the search results, scroll through the list to find your vendor, and then double click on that vendor’s “ID Number”. This action will take you back to the Vendor Information Tab, where the vendor information will now be filled in.

- If you cannot find your vendor after trying multiple searches, your vendor may not be in the system yet. You will enter the new Vendor Information in the Document Text of the Commodity/Accounting screen.

15. Now, Next Block or, using your mouse, click on the Commodity/Accounting Tab

Commodity/Accounting Tab

Entering a New Vendor (14.): Go to Options → Document Text. This will take you to a new screen. Next Block or click in the Text field to add new vendor information.
Example:

<table>
<thead>
<tr>
<th>Name</th>
<th>Clause Number</th>
<th>Print</th>
<th>Line</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchasing Please Add new vendor:</td>
<td></td>
<td></td>
<td>10</td>
</tr>
<tr>
<td>Dell Marketing LP</td>
<td></td>
<td></td>
<td>20</td>
</tr>
<tr>
<td>C/o Paul Cornille</td>
<td></td>
<td></td>
<td>30</td>
</tr>
<tr>
<td>800 W Bryn Mawr Rd</td>
<td></td>
<td></td>
<td>40</td>
</tr>
<tr>
<td>Itasca, IL 60043</td>
<td></td>
<td></td>
<td>50</td>
</tr>
<tr>
<td>Phone: 203-535-4755</td>
<td></td>
<td></td>
<td>60</td>
</tr>
<tr>
<td>Fax: 800-328-7942</td>
<td></td>
<td></td>
<td>70</td>
</tr>
</tbody>
</table>

Then Save and Exit. This will take you back to the Commodity/Accounting form.

16. Adding items: In the first line, click on the search button, then click on “Commodity Validation” to scroll through the list of commodity codes. Find the code that most closely matches the item that you are purchasing and double click on it; the Commodity Field for the first line will now be filled in.

17. Item Description: Now to the next field. This is where you will enter the Item Description. Make it clear to what it is that you are buying; do not solely use item numbers.

   - For example, instead of just “quote A3443214”, you could type “Dell Inspiron Laptop per Quote A3443214”.
   - If you need more space for your item description, go to Options → Item Text. This functions similarly to Document Text.

18. Item Information: Use the key to edit the U/M (unit of measure), Quantity, and Unit Price. In the Unit Price, only use numbers and decimals.

   - If you have a discounted price, use that number and then make note of using the discount in the Item Description or Item Text. For Example: “Includes 10% discount”

19. To add another item, either use Next Record or the down arrow on your keyboard. Follow Steps 16-18.
20. When you have finished adding all of the items, Next Block \( \text{Next Block} \) to the Accounting (FOAP) block. Using the Tab key, enter the FOAP string that you would like to use. The Account will automatically populate based on your Commodity Code.

- To use multiple accounts, enter the first FOAP sequence, then tab to the “Extended” field. Enter the amount that you would like taken from this first FOAP string -or- check the % box and enter the percentage of the total amount that you would like to be used from the first FOAP string (ex. Type “50” for 50%)

\[
\begin{array}{c|c}
\text{Extended:} & \% \\
\hline
\checkmark & 50
\end{array}
\]

Then use Next Record \( \text{Next Record} \) to enter the next FOAP string and repeat the process.

21. Once all the money has been allocated to FOAPs, use Next Block \( \text{Next Block} \) -or- click on the Balancing/Completion Tab

Balancing/Completion Tab

22. Check that the status fields all read “balanced”

\[
\begin{array}{c|c|c|c|c}
\text{Status} & \text{BALANCED} & \text{BALANCED} & \text{BALANCED} & \text{BALANCED} \end{array}
\]

Then click on the Complete button to finish (or the In Process to not complete the requisition).
Accessing Banner Purchasing Training Tools

Under the myIIT Banner Finance Tab, you can find online training video clips and Purchasing forms. Training materials are listed under Banner Finance training materials and Purchasing forms are listed under Controller policies and forms.

- Controller policies and forms
  - Controller's Office Main Page
  - Controller's Office Forms
  - Purchasing Forms

- Banner Finance training materials
  - Advanced Budget Queries (ABQ)
  - Executive Leadership Orientation
  - Faculty Researchers Orientation
  - Purchasing
  - Requisition Preparation
  - NEU Grant Account Information
  - NEU Requisition Input Berne
  - NEU Check Status of an Order in Self Service

Remember: when you are watching animated tutorials you can select the pause or back button to review a portion of the tutorial.