

Policy 4-4 Rev. 5
Date: December 10, 2001

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Subject: **RESTRICTED PURCHASES AND SPECIAL PROCUREMENT**

I. PURPOSE

To outline university policies, including prohibitions, special approvals, limitations, and restrictions, governing the procurement and control of specific categories of supplies and services.

II. REFERENCES

[Policy and Procedures 3-11](#), Recruitment and Entertainment Expense Reimbursement Policy
[Policy and Procedures 3-40](#), Property Accounting
[Policy and Procedures 4-1](#), University Procurement
[Policy and Procedures 4-12](#), Campus Printing Policy
[Policy and Procedures 5-3](#), University Motor Vehicles

III. DEFINITIONS

[See Policy and Procedures 4-1](#), University Procurement

IV. POLICY

A. Prohibited Acquisitions

1. The use of university funds to acquire supplies or services for personal use is prohibited.
2. Alcoholic beverages may not be acquired with state appropriated funds.
3. Donations to charitable, scientific or educational organizations are only permissible if: 1) the organization has a 501c(3) status with the Internal Revenue Service or is an equivalent nonprofit organization; 2) the mission of the organization is consistent with that of the university; 3) the money so donated is from a permitted source and not from state, federal or other restricted funds; and 4) is no more than \$1000. Exceptions from the above guidelines require the signed written approval of the cognizant Vice President or

designee.

B. Acquisitions that Require Special Approvals

1. Repairs to personal property (except automotive equipment) damaged while its owner is engaged in university business may not be procured unless the requisition bears the authorizing signature of the appropriate dean or director.
2. Organizational or association memberships paid from university funds may be procured only if necessary to meet program needs or to secure other benefits for the university, and must contribute to the university's mission. Memberships that include a charitable donation to associations or private organizations must meet the criteria of section IV. A.3. above. Memberships may not be purchased on grants or contracts unless allowed by the award. New memberships must be approved by the cognizant dean, director or designee or, in the case of University Hospital personnel, by the hospital administrator.
3. Requisitions for nonstandard office furniture, equipment, and accessories require the authorizing signature of the cognizant vice president, or of the vice president for administrative services or his/her designee.
4. Coin-operated vending equipment, including washers, dryers, stamp-dispensing machines, food and beverage dispensers, etc., may be acquired or installed only with the prior written approval of the director for Auxiliary Services or his/her designee.
5. Motor vehicles may be acquired for departmental use, and may be licensed and maintained, only with the approval of the director of the Motor Pool and subject to the restrictions of Policy and Procedures 5-3, University Motor Vehicles.
6. Printing, Duplicating, and Digital Printing/Copying Equipment
 - a. Printing equipment may be acquired for use by departments other than Publications and Printing Services only with the prior written approvals required by Section IV.A. of Policy and Procedures 4-12, Campus Printing Policy.
 - b. The acquisition of duplicating and digital printing/copying equipment must be in conformity with section IV.B. of Policy and Procedures 4-12, Campus Printing Policy. Procurement & Supply Management (Procurement) may request an evaluation by Printing Services of a proposed acquisition of duplicating or digital printing/copying equipment before processing the requisition.

- c. Questions regarding these procedures should be addressed to the Vice President of Administrative Services.

C. Acquisitions Funded by Research Grants and Contracts

1. Requisitions calling for expenditures, to be funded by grants or contracts, for capital equipment or remodeling of facilities are subject to review by Grants & Contract Accounting to determine the allowability of the proposed procurement under the terms of the grant or contract.
2. Requisitions calling for capital equipment not specifically authorized by the grant or contract will not be processed until approval is obtained from the granting agency.
3. A requisition for capital equipment will not be processed if the requisition is dated 30 days or less prior to the project ending date, unless the requisition is accompanied by documentation, approved by the vice president for research, or his/her designee, demonstrating that acquisition of such equipment is necessary to achieve the objectives of the contract or grant.
4. A requisition for either supplies or equipment will not be processed if it appears probable that the requisitioned items will not be received by the university within a reasonable period of time prior to the project ending date.
5. All federally funded purchases must comply with applicable federal procurement procedures, regulations, terms and conditions. Purchases based on single price quotations must meet price reasonableness/cost analysis criteria prior to award. Questions regarding these regulations should be directed to Procurement.
6. Alcoholic Beverages may not be acquired with grant and contract funds unless allowed by the award.
7. Memberships in organizations and associations as defined in IV.B.2. may not be purchased with grant and contract funds unless allowed by the award.

D. Acquisitions Subject to Special Limitations or Procedures

1. Narcotics and Controlled Substances

- a. Requisitions for narcotics and controlled substances must be accompanied by a properly completed Drug Enforcement Administration order form (DEA form 222C).
- b. Individuals using form DEA 222C must be registered with the State

of Utah Department of Business Regulations and with the U.S. Drug Enforcement Administration.

- c. Further information regarding the purchase of controlled substances may be obtained from Procurement.

2. Tax-Free Alcohol

- a. Acquisition of tax-free alcohol must be requested on a Tax-Free Alcohol Report form available from Procurement.
- b. The Tax-Free Alcohol Report must be kept current by each department using tax-free alcohol. With each usage of tax-free alcohol, the quantity issued, user's name, and balance on hand shall be indicated on the Tax-Free Alcohol Report to bring the record into balance with existing stock. As the existing supply of alcohol reaches the appropriate reorder point, additional alcohol may be reordered by sending the completed Tax-Free Alcohol Report to Procurement.
- c. The university permit to use tax-free alcohol currently limits such use to the following purposes:
 - 1) preserving specimens
 - 2) experimental, research, and laboratory work for scientific purposes.
 - 3) The preparation of laboratory and medical solutions
 - 4) Hospital chemical use
 - 5) Medical treatment of patients
 - 6) Compounding medicines for use of patients in the hospital
- d. The use of tax-free alcohol for purposes other than those defined in paragraph (c) is prohibited, and violation is subject to federal law. Departments requiring tax-free alcohol for use other than authorized above should contact Procurement.
- e. Department alcohol records and alcohol on hand are subject to federal audit by the Internal Revenue Service.

3. Import Items

- a. Import items may be procured through a standard university requisition form.
- b. Most foreign purchases are subject to customs clearance and possible duty charges. The university has engaged the services of a professional customs broker to provide assistance in clearing foreign shipments. All correspondence or contact with this broker must be made through Procurement.
- c. All matters pertaining to customs are handled by Procurement. All documents concerning foreign orders (customs declarations, customs invoices, shipping papers, shipping notices, etc.) must be forwarded to Procurement.
- d. Departments requisitioning import items should include estimated customs duties and freight charges in estimating the cost of the items requisitioned. Exact customs duties on import items cannot be determined until the items have cleared customs. Information relating to customs and procedures applicable to customs clearance may be obtained from Procurement.
- e. Some research grants and contracts prohibit the purchase of import items. Before submitting a requisition for imported items, the department should determine that no such restriction is found in any grant or contract to which the cost of acquisition is to be charged in whole or in part.

4. Radioactive Materials and Radiation-Generating Equipment

- a. Radioactive material and radiation-generating equipment must be requisitioned with the standard university requisition form.
- b. Requisitions for these purchases require prior approval from the director of Radiological Health. A request for such approval will be initiated by the department requesting the materials or equipment. Procurement will confirm approval from Radiological Health's Authorized Users List.
- c. Whenever required, applications for licenses or other approval forms from the Department of Energy (DOE) will be initiated and processed by the director of Radiological Health.
- d. Questions regarding licensing requirements relating to radioactive

materials, should be directed to the director of Radiological Health.

5. Research Animals and Birds

- a. Requisitions for the purchase of research animals require the approval of Animal Resources. The requisition and Animal Request Form must be sent to Animal Resources for approval. The Animal Request Form can be obtained from the Animal Resources Department.
- b. Select species of research birds and animals require written certification of disease-free status on import into the State of Utah. The director of the Animal Resources is responsible to perform this inspection and furnish such certification to the State of Utah Division of Wildlife Resources.
- c. Questions regarding this procedure should be directed to the Animal Resources Department.

6. Compressed Gasses

- a. Bottled gases are restricted due to the compressed nature of the cylinder. This restriction covers small disposable as well as large metal cylinders.
- b. Common gases and gas mixtures may be ordered through General Stores on a campus order form. All other gasses must be requisitioned with the standard university requisition form so cylinder demurrage and delivery can be arranged.

7. Recruitment Advertising

- a. Requests for advertising funds for recruitment of full time staff and faculty positions must be requisitioned with the standard university requisition form. Staff position requisitions should reference the Human Resources Specialist name, Job number, and placement information. Faculty recruitment requisitions require a Vice President's signature. Questions regarding this procedure should be directed to Procurement.

E. Acquisition of Government Property

1. Surplus University Property

- a. Surplus university property is available through the University Surplus and Salvage Department. (see Policy and Procedures 3-40)
- b. Information regarding the availability of surplus property may be obtained from the Surplus and Salvage Department.

2. Excess Federal Property

- a. Excess federal government property may be available at little or no cost for use on federal government contracts or grants. Information regarding such items may be obtained from the Surplus and Salvage Department.
- b. Excess federal property may be requisitioned with the standard university requisition form.

3. General Services Administration (GSA) Purchasing

- a. In requesting the purchase of supplies or equipment from the General Services Administration, it is the responsibility of the requisitioning department to identify the requisition as eligible for GSA procurement.
- b. The appropriate contract number and clause enabling such acquisition must be listed on the requisition. All product identification numbers or stock numbers from the federal supply catalog must be identified on the requisition.

Approved: Board of Trustees: December 10, 2001

Approved: Academic Senate: November 5, 2001

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