

Rule 3-100D: Delegations and Small Purchase.

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I. Purpose and Scope

A. Purpose.

To implement Policy 3-100 and outline rules for delegated purchase authority to all Organizational Units to make small purchases up to the relevant single Procurement threshold. Certain Organizational Units have broader Procurement authority as delegated by this rule. Delegated purchase authority includes conformance with the Title 63G, Chapter 6a, Utah Procurement Code and is subject to penalties contained therein.

B. Scope.

This rule is binding for all University colleges, departments, and units, including University of Utah Hospitals & Clinics (UUHC).

II. Definitions

The definitions provided in Policy 3-100 apply for this rule. In addition, the terms below apply for the limited purpose of this rule.

A. “Small Purchase” means a purchase with a cost that is less than the single Procurement threshold.

III. Rule

A. Procurement Thresholds

1. Single Procurement Threshold: \$10,000
2. Formal Purchase Threshold: \$50,000
3. Professional Provider or Consultant Services Threshold: \$100,000
4. Design Professional Services threshold: \$100,000\
5. The director of purchasing and the chief financial officer may establish an Annual Cumulative Threshold through a memorandum of understanding.

B. Single Procurement, Professional Service Providers or Consultants, and Design Professional Services Thresholds

1. Small purchases up to the single Procurement threshold shall be made in accordance with this rule and University procedures established by the Purchasing Department. Small purchases by Organizational Units up to the single Procurement threshold may be made through UShop or PCard. Requisitions may be required for Restricted Purchases. (See Rule R3-100E)
2. Organizational Units may make small purchases totaling up to the single Procurement threshold by selecting the best source. For these purchases, Organizational Units are not required but are encouraged to obtain and retain competitive quotes.
3. Organizational Units may also make purchases up to the Professional Provider or Consultant Services Threshold by selecting the best source and submitting a Requisition through UShop. For these purchases, Organizational Units are not required but are encouraged to obtain and retain competitive quotes based on the scope of work. (See Policy 3-111) This threshold may be applied when the contract for Services is below the threshold or the fee otherwise expected to be charged for the scope of Services is below the threshold. It is not permissible to engage in unlawful splitting of the Procurement to meet the Professional Provider or Consultant Services Threshold.
4. Design Professional Services
 - a. Design Professional Services associated with remodeling and Construction as defined in Policy 3-205 are subject to Policy 3-205.
 - b. Except for Design Professional Services subject to Policy 3-205, Organizational Units may make purchases up to the Design Professional Services threshold by selecting the best source and submitting a Requisition through UShop. For these purchases, Organizational Units

are not required but are encouraged to obtain and retain research related to vendor qualifications.

- c. A purchase is below the Design Professional Services threshold if the total cost for all Services associated with the engagement is below the Design Professional Services threshold or the fee otherwise expected to be charged for the scope of Services is below the threshold. An Organizational Unit may not split the Procurement to avoid exceeding the Design Professional Services threshold.
 5. Organizational Units are Responsible for the availability of funds prior to initiating a small purchase.
 6. Delegated purchasing authority includes compliance with recommendations established by a grant or subcontract which may include encouragement of purchases from small, minority, veteran, and woman-owned businesses.
 7. The director of purchasing may modify or revoke the Single Procurement Threshold for an individual or University Organizational Unit.
 8. The supply chain administrative director for University of Utah Hospitals & Clinics may modify or revoke the single Procurement threshold for an individual or UUHC Organizational Unit.
- C. Restrictions on Delegated Purchase Authority
1. Dividing or splitting of a Procurement: It is a violation of Utah law and University regulations for a person to intentionally or knowingly divide a Procurement into smaller Procurements with the intent to make a Procurement qualify as a small purchase, a purchase below the single Procurement threshold, if, before dividing the Procurement, it would not have qualified as a small purchase. Order splitting or dividing of a Procurement is subject to Utah Code Title 63G. Chapter 6a. Part 24, Unlawful Conduct and Penalties.

2. Sales tax shall not be paid on small purchases as the University is tax exempt, except for on small purchases from a non-reciprocating out-of-state Supplier. Organizational Units shall provide a copy of the Utah State sales tax exempt form to Suppliers that require it. (See https://fbs.admin.utah.edu/purchasing/forms_pur/exemption-certificate/)

D. Purchasing Card (PCard) Usage

1. Authorized individuals within Organizational Units may make direct purchases of Supplies and Services less than the single Procurement threshold by utilizing a PCard, except as restricted by University regulations (See Rule R3-100E).
 - a. UUHC may establish a limit for UUHC PCard purchases:
 - i. that is less than the Single Procurement Threshold; or
 - ii. with the approval of the UUHC controller and director of purchasing, that is greater than the single Procurement threshold.
2. PCards are generally issued to a named individual within an Organizational Unit.
3. Authorization to use a PCard requires individuals to apply for a card and requires adherence to terms and conditions of a University PCard agreement issued by the Purchasing Department.
4. PCard procedures are established and administered by the Purchasing Department as published in the PCard Handbook.
5. The Purchasing Department is Responsible to issue, approve credit limits, suspend, or cancel PCards. PCard credit limits for UUHC are subject to the credit limits established by UUHC but may not exceed the Single Procurement Threshold unless approved by the UUHC Controller and the Director of Purchasing.

6. Organizational Units are Responsible for review and approval of PCard transactions and documentation.
7. Organizational Units are Responsible to maintain PCard records for each transaction including original or electronic receipts, invoices, statements, correspondence, etc., based on the records retention schedule. Periodic auditing of PCard transactions will be conducted by the Purchasing Department and/or University Internal Audit and the State of Utah. (See [PCard website](#))
8. PCards can be used at campus Organizational Units that accept credit cards.
9. Prohibitions on use of PCards for purchases totaling the single Procurement threshold or less: (See Rule 3-100E)
 - a. Capital and fabricated equipment without approval from property accounting. (See Policy 3-045)
 - b. Restricted Purchases and special Procurement items such as: controlled drugs and narcotics, non-denatured ethyl alcohol, radioactive materials, and compressed or liquid gases.
 - c. Procurement of live animals. (See Rule R3-100E)
 - d. Repair or alterations to University physical facilities. Contact U Facilities.
 - e. Purchases from University faculty or staff.
 - f. Purchase of items for which advance payment is required if the total Procurement amount will exceed the single Procurement threshold. (See [Procedure P3-100A](#))
 - g. Advertisements for personnel (staff or academic) recruiting, unless a PRN number is issued by Human Resources.
 - h. Procurement of new telephones or other telecommunications Services. Contact University Information Technology. Payment for existing Services

may be made with the PCard, with approval by University Information Technology and the Purchasing Department.

- i. Foreign purchases requiring customs clearance, except those below \$1,000. (See Rule R3-100E)
- j. Travel expenses, except as allowed by the Travel Office with prior approval. (See Policy 3-030.)
- k. Gifts, except as allowed by a gift exemption as approved by the Purchasing Department.
- l. Employee parking.
- m. Gas or fuel for vehicles, except as allowed by a fuel exemption as approved by the Purchasing Department.
- n. New memberships, unless approved by the cognizant dean, director, or designee per University Rule 3-100E. Organizational Units that use a PCard to purchase a new membership shall keep the approval and all documentation with the PCard statement for auditors to review. An Organizational Unit may use a PCard to renew a membership.
- o. Services from independent contractors, performers, consultants, speakers
- p. Student Services, including events, travel, tuition, scholarships, health insurance or stipends, except as approved by the Purchasing Department.
- q. Continuing Education & Community Engagement (CECE) professional development courses, except as required and approved by the appropriate Organizational Unit director or chair
- r. Additional prohibitions, restrictions or exceptions to the use of PCards may be made by the Purchasing Department. (See Purchasing Card Restricted List)

E. ePayment Requests (ePRs)

1. ePRs are to be used for expense payments, including honorariums, guest lecturers, utilities, etc. ePRs may not be used for procuring goods or Services. Exceptions shall be approved by the director of purchasing and in conjunction with Accounts Payable.

F. Reimbursements

1. The Purchasing Department and Accounts Payable discourage the use of reimbursements for the purchase of goods and Services. Reimbursements to individuals for the purchase of goods and Services are subject to Policy 3-010 and any associated University regulations.

G. Multiple Payment Purchase Orders

1. Multiple payment Purchase Orders exceeding the single Procurement threshold without a contract are prohibited except as approved by the Purchasing Department.

H. Exceptions: Procurement Authority of Organizational Units

1. By virtue of their special needs and the roles they fill at the University, some Organizational Units may be authorized to solicit bids and may be delegated Procurement authority at a higher spend level than normally authorized, compliant with University Regulations, the Utah Procurement Code, and written rules adopted by the Organizational Unit. This includes University of Utah Hospitals & Clinics Purchasing. Also included are Procurements of Construction and architect/engineer Services by U Facilities following Procurement rules adopted by the state Division of Facilities Construction and Management and using the procedures allowed in Rule 3-100B III. A3.
2. Additional Organizational Units that have delegated purchase authority are identified below and may enter into a written memorandum of understanding with the director of purchasing. Other Organizational Units may be extended

similar limited Procurement exceptions as described in writing at the discretion of the director of purchasing.

- a. Associated Students of the University of Utah
 - b. Marriott Library (books and periodicals only)
 - c. Eccles Health Sciences Library (books and periodicals only)
 - d. S.J. Quinney Law Library (books and periodicals only)
 - e. University Medical Group
 - f. University Campus Store (resale items only)
 - g. Travel & Reimbursement Service (administration of University Travel Card for travel related only)
 - h. Athletics Department (only athletic charter travel and medical Services for athletes)
 - i. Natural History Museum of Utah (items for display only)
- I. Office of General Counsel Small Purchases and Emergency Procurement
1. The Office of General Counsel shall have authority to conduct Procurements for the hiring of outside counsel, expert witnesses and litigation support Services pursuant to the Professional Provider or Consultant Services Threshold.
 2. If an emergency condition exists necessitating the need for immediate hiring of outside counsel, expert witnesses or litigation support Services, the general counsel shall make a written determination of the existence of the emergency and a written statement of justification for choosing a specific Supplier (See Policy 3-100 III.F.4).

IV—VII Regulations Resource Information.

***User Note: Parts IV-VII of this Regulation (and all other University Regulations) are Regulations Resource Information – the contents of which are not approved by the Academic Senate or Board of*

*Trustees, and are to be updated from time to time as determined appropriate by the cognizant Policy Officer and the Institutional Policy Committee, as per Policy 1-001 and Rule 1-001.***

IV. Policies, Rules, Procedures, Guidelines, Forms and other Related Resources

A. Policies/Rules

1. Policy 3-100 University Procurement
2. R3-100C, Requisition Use
3. R3-100E, Restricted Purchases and Special Purchasing

B. Procedures, Guidelines, and Forms. [reserved]

C. Guidelines

D. Forms

1. Utah State Tax Commission Exemption Certificate for Governments & Schools
2. University of Utah Business Associate Agreement

E. Other related resource materials

V. References

- A. Policy 3-003, Authorizations and Approvals Required for Financial Transactions
- B. Policy 3-100, University Procurement
- C. Policy 3-111, Independent Consultant/Contractor Professional Service Agreements
- D. Policy 3-193, Requesting Service from Campus Agencies (Campus Orders)

VI. Contacts

The designated contact officials for this Regulation are

- A. Policy Owner (primary contact for questions): Director of Procurement
- B. Policy Officers: Chief Financial Officer

See University Rule 1-001 for information about the roles and authority of policy owners and policy officers.

VII. History

Renumbering: Not Applicable

Revision History.

A. Current version. Revision 1.

1. Approved by -- Academic Senate April 4, 2022, and Board of Trustees April 12, 2022, with effective date of April 12, 2022.
2. Legislative History for current version.
 - a. Editorial Revisions: *[reserved]*

B. Past versions.

1. Revision 0.
 - a. Legislative History for Revision 0.