University Purchasing Methods

The purpose of this job aid is to summarize the five different methods that may be used for departmental purchasing. While it is an expectation that faculty and staff will use the U Market purchasing method whenever possible, there may be situations where another purchasing method is more appropriate.

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<thead>
<tr>
<th>Method</th>
<th>General Information and Resources</th>
<th>Appropriate Uses</th>
<th>Thresholds and/or Restrictions</th>
<th>Ordering and Payment Overview</th>
<th>Related Policies at <a href="http://www.policy.umn.edu">www.policy.umn.edu</a></th>
</tr>
</thead>
<tbody>
<tr>
<td>U Market</td>
<td>U Market is the University’s preferred method and should be used whenever possible. umarket.umn.edu</td>
<td>U Market is the preferred method to purchase standard goods such as:</td>
<td>Purchasing Services reviews requisitions $50,000+. At this time, U Market cannot be used to buy:</td>
<td>Shopper assigns order to an EFS requisition preparer. The preparer reviews and submits the requisition. Approved requisitions become EFS purchase orders (PO). Receiving and voucher entry are automated. Departments verify vendor payment and reconcile via e-Statements.</td>
<td>Purchasing Goods and Services</td>
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<tr>
<td>Internal Sales Purchases</td>
<td>Some University units sell goods and services to other departments. Internal Sales: <a href="http://www.finsys.umn.edu/sales/ISO.html">www.finsys.umn.edu/sales/ISO.html</a></td>
<td>Internal Sales Units are the preferred method for purchasing:</td>
<td>Departments may order any dollar amount from internal sales units. Animals must be purchased through RAR: <a href="http://www.ahc.umn.edu/rar">www.ahc.umn.edu/rar</a>. Radioactive isotopes must be purchased through EHS: <a href="http://www.dehs.umn.edu">www.dehs.umn.edu</a>.</td>
<td>Orders are typically placed by phone or the unit’s ordering system. Typical payment is a journal voucher generated by the internal sales unit. Departments reconcile the monthly charges via an e-Statement or other report.</td>
<td>Selling Goods and Services to University Departments Purchasing Goods and Services (see also Appendix: Restricted Commodities) Animal Care and Use</td>
</tr>
</tbody>
</table>
## University Purchasing Methods (cont.)

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| **Procurement Card (PCard)** | The PCard is a U.S. Bank Visa credit card issued to authorized University employees.  
Central PCard office: [www.finsys.umn.edu/pcard/pcardhome.html](http://www.finsys.umn.edu/pcard/pcardhome.html)  
Travel Services: [travel.umn.edu](http://travel.umn.edu) | The PCard is a preferred method for purchasing:  
• Airfare  
• Conference registration  
• Car rental  
• Making emergency or retail purchases | Standard single transaction limit is $2,499.  
Standard monthly maximum balance is $10,000.  
Refer to the PCard policy's Allowability Grid and list of blocked vendors for restrictions. | Cardholder makes a purchase from the vendor and retains original, itemized receipts.  
Transactions require receipts, justification, and EFS monthly reconciliation.  
Required supporting documentation is imaged. | Using the University Procurement Card (see Appendix: Examples of Allowable and Unallowable Purchases; Appendix: Blocked Vendor Types) |
| **Purchase Order (PO)** | A PO is an agreement used to order products or services directly from external vendors.  
Purchasing Services: [purchasing@umn.edu](mailto:purchasing@umn.edu)  
UWide Contracts: [uwidecontracts.umn.edu](http://uwidecontracts.umn.edu) | While POs may be used to purchase almost anything, they are the preferred method for:  
• Purchasing equipment (from non-U Market vendors)  
• Professional services  
• Recurring standard goods or services (may use blanket orders) | If the purchase totals:  
• $10,000-$49,999: Price Comparison Form is required for goods from non-U-Wide contract vendors.  
• $50,000+: Bidding is required for professional services (CPS) or goods from non-U-Wide contract vendors.  
• $250,000+: Bidding is required for U-Wide contract vendors.  
• $1 million+: Board of Regents approval is required. | EFS requisition preparers create and submit a requisition.  
Once approved, the requisition becomes an EFS purchase order (PO) and is sent to the vendor.  
Departmental/cluster EFS receipt and voucher entry is required, and supporting documentation is imaged. | Purchasing Goods and Services  
Accounts Payable: Paying Non-Payroll Expenses |
| **Non-PO Related Payment** | The non-PO related payments list identifies a limited list of specific items that do not require a PO. Instead, a voucher or PCard may be used when appropriate.  
Non PO-Related payment list: [www.policy.umn.edu/Policies/Finance/Procurement/PURCHASING_APPD.html](http://www.policy.umn.edu/Policies/Finance/Procurement/PURCHASING_APPD.html) | This method should only be used as a last resort.  
All purchases must be specifically identified on the "Non-PO Related Payments" list to be eligible. Common examples are:  
• Utilities  
• Courier service  
• Subject payments | All payments must be authorized on the University's Non-PO related payments list.  
There is no bid threshold for authorized items.  
If paying an individual via the single payment vendor (SPV) process, adhere to the SPV Allowability grid. | Department orders from the vendor. The vendor delivers the good or service and invoices the department.  
Supporting documentation is required such as an invoice or the Check Request Form.  
The department/cluster must process payment via a voucher or PCard and image supporting documentation. | Purchasing Goods and Services (see Appendix: Non-Purchase Order Related Payments List)  
Accounts Payable: Paying Non-Payroll Expenses (see Appendix: Single Payment Vendor Types Allowed)  
Using the University Procurement Card |