

Policy Name:	Purchasing Policy		
Policy No:	4.6	Approval Authority:	Board of Governors
Volume:	4, Office of Finance & Administration	Responsible Party:	Controller
Chapter:	6, Purchasing Policy	Responsible Office:	Office of Finance & Administration
Originally issued:	May 29, 2006	Revisions:	August 31, 2013; October 2015; November 2017, June 2018, November 2018

Policy Statement

As a public institution, NSCAD University (the University) has a responsibility to act and be seen to act in a fair and transparent manner thereby providing the highest degree of value to the University. University purchasing activities must be conducted in accordance with this policy. The University covers the cost of expenses incurred by members of faculty and staff in support of the University’s mission, provided the expenses are authorized, reasonable, appropriately documented and are in accordance with NSCAD policies.

Reason for Policy

Given that NSCAD is funded to a great extent by external stakeholders and that transparent financial management is paramount, this policy helps members of the University understand the applicable rules, responsibilities and procedures related to purchasing activity. This helps ensure that NSCAD’s financial resources are managed effectively and to the standard set by the University and its stakeholders.

Policy Applies to

- All members of the University

Who Should Read this Policy

- All members of the University community with budget oversight and/or management responsibilities for NSCAD
- All members of the University community involved in purchasing on behalf of the University and/or using NSCAD funds
- All members of the University involved in processing purchasing documentation
- Those purchasing goods and services on behalf of the University using capital funds, restricted funds, and research grants
- Members of the Board of Governors, Financial & Physical Resources Committee

Contacts

Approval Authority: Board of Governors, Financial & Physical Resources Committee

Detail on policy meanings and application: Office of Finance & Administration, 902-494-8219, finance@nscad.ca, <https://navigator.nscad.ca/wordpress/home/academicsadministration/office-of-finance-administration/>

Definitions

“Preferred suppliers”: The University has a number of arrangements by which it obtains preferential pricing with suppliers through its participation in ISI (InterUniversity Services Inc.), CAUBO (Canadian Association of University Business Officers) and the Province of Nova Scotia MASH (Municipalities, Academic Institutions, School Boards and Hospitals) Sector Procurement. A list of preferred suppliers is available from the Finance Office.

“Approved suppliers”: A company or individual that has been verified by the Accounts Payable / Finance Office as a legitimate supplier of goods or services to the University with an appropriate mailing address and relevant tax information, as to prevent the occurrence of fraud or misappropriation.

“Online Credit Card Reporting Platform”: Online credit card management and reporting platform: Visa CentreSuite
<https://www.centresuite.com/Centre/Public/Logon.aspx>

“Approver”: The person who is authorized to approve the claimant’s expenses.

“Claimant”: The individual that is submitting an expense claim for reimbursement or University credit card claim.

The Policy

1. Relevant Legislation

1.1. As NSCAD University is classified as a MASH sector entity (Municipalities, Academic institutions, School boards and Hospitals) by the Province of Nova Scotia, the University is guided by the terms and conditions set forth in the Atlantic Procurement Agreement and the Nova Scotia Public Procurement Act and all other trade agreements as applicable. These Acts were developed to eliminate all forms of discrimination among public entities within the participating jurisdiction by providing details of public bidding requirements.

2. Principles

2.1. Since the purchase of materials and services is second only to salaries in University expenditures, it is imperative that the University community continually strives for lower costs in every area of the operations. Purchasing is a vital activity with a goal of acquiring goods or services for the University in such a manner as to maximize the value to the University community with respect to price, quality, service availability, sustainability and operational performance.

2.2. It is the objective of the University to expend funds for the purchase of goods and services in such a manner as to obtain the maximum possible value for each dollar disbursed, subject to the terms and conditions made by grantors, government agencies and sound procurement practices.

2.3. As a general rule, business will be placed with those firms and organizations offering the most favorable combination of quality, service and price. The achievement of these objectives will be made through an open competitive bidding process or other similar forms of negotiation.

3. Responsibilities

3.1. Each acquiring department has the following responsibilities:

- 3.1.1. The procurement, within its allotted budget, of its materials and services using a Purchase Order(PO).
- 3.1.2. Ensuring that pricing and quality considerations are reasonable and are in the best interests of the University.
- 3.1.3. Ensuring the invoices have sufficient detail for the reviewer to assess competitive pricing. This includes, but is not limited to; hourly rates for services, unit rates, rates per hour and number of hours and/or units.
- 3.1.4. Initiating and maintaining effective professional relationships with suppliers.
- 3.1.5. To purchase from the approved and preferred suppliers, unless it can be clearly demonstrated that better pricing with equal quality/service can be secured with an alternate supplier. See 7.10 Standardization of Supplies, Materials and Equipment of this policy for more details. New vendors need the approval from the Office of Finance before purchases are made.

The President, with assistance of the Vice-President, Academic Affairs and Research and Vice-President, Finance and Administration, is responsible to the Board of Governors for administration of the various financial plans, objectives, and management of the finances of the University and are responsible for approving University expenditures.

All expenses related to Presidential travel, entertainment, conferences, hospitality and professional development must be in accordance with NSCAD policies and are approved by the Board Chair.

3.2. Individuals authorized to approve expenses (Approver) and related documentation are responsible to ensure that the expenses are for University business purposes and are in accordance with University policies.

Approvers responsibilities include ensuring that expenses that have been incurred:

- Are business related and for NSCAD University purposes only.
- Are reasonable based on explanations provided by the purchaser.
- Have hourly and/or unit rates for services that are reasonable and consistent with hourly/unit rates from other providers for similar services.
- In the most economical manner.
- Are in compliance with all policy and procedures of the University.
- Are within budget.
- They are not personal expenses.

3.3. The Vice-President, Finance and Administration has the following responsibilities:

- 3.3.1. Receiving and effectively managing legal documents or contracts requiring the signature of a University signing officer.
- 3.3.2. Assisting the President in carrying out his/her financial responsibilities.

3.4. The Board of Governors, through the Financial and Physical Resources Committee, has the ultimate responsibility for the financial administration of the University. Financial planning and control are carried out by means of budgets, reporting and internal control systems, and other means as required.

4. Budget Management

- 4.1. Every expenditure in the University is organized by functional cost center. In no case may a functional department exceed its budget in total, even though there may be approval for exceeding the budget on a given line item within the department. Purchasing should only be initiated once a source of funding has been established and pre-approval has been obtained via purchase order, if required.
- 4.2. Ancillary operations are accounted for separately from core University operations. As a minimum, ancillary operations are self-sufficient, therefore, not requiring the use of University operating funds. This includes allocation of costs for administrative overhead and space. Strategic targets for contributions beyond self-sufficiency will be assessed for each ancillary operation within its specific mandate.
- 4.3. There shall be no re-allocation of funds or expenditures between salary and non-salary line items within a functional cost center. This includes the student salary line. Also there should be no reallocation of funds designated for capital assets from non-space funding approvals.
- 4.4. There shall be no increase in any employee's compensation costs or the total complement of employees without specific prior approval from the Vice-President, Finance and Administration; Vice-President, Academic Affairs and Research and the President. Approval for continuing appointments will only be granted when a continuing source of funding has been secured. Please refer to the Hiring and Compensation Change Authorization Form for all hires and changes to compensation.
- 4.5. Expenditures for consultants, software, cell/smart phones, legal services, audit fees, and capital assets (equipment, furniture, technology hardware) all must have prior approval from the Vice-President, Finance and Administration and Vice-President, Academic Affairs and Research. Expenditures for NSCAD University paid cell/smart phones must be coordinated through the Director of Computer Services.
- 4.6. One-time or short-term funds should only be used to fund one-time or short-term activities.
- 4.7. Notwithstanding the above, Chairs, Directors and Managers can overspend on some non-compensation operating budget lines as long as it is balanced out with under-spending on other non-compensation operating budget lines.

5. Suppliers

- 5.1. Any difficulties encountered with suppliers which cannot be resolved satisfactorily by the acquiring department should be brought to the attention of the Vice-President, Finance and Administration.

6. Procedures

- 6.1. The University does not have a central purchasing department. As such purchasing activity is decentralized.
- 6.2. Purchase orders
 - 6.2.1. The purchase order (PO) is central to the purchasing, invoice and payment process for all non-compensation related expenses at the University. They verify to the Finance Office that the expenditure was approved so that the invoice can be paid.
 - 6.2.2. A PO is required to initiate the purchase of all materials and services except for utilities, landline telephone call charges, insurance, photocopier and postage meter reads, lease payments, payroll expenses, petty cash replenishments, and banking fees.

- 6.2.3. To begin a purchase, the acquiring department identifies the need for a purchase, considering alternatives which can satisfy the need and selecting the best alternative.
 - 6.2.4. A department making a purchase must generate an electronic PO prior to making a purchase. The electronic PO is then authorized by the appropriate approvers set up in the system.
 - 6.2.5. The University accepts no responsibility for the payment of invoices resulting from unauthorized purchase commitments. A contract does not exist between the University and a vendor until an official purchase order has been issued and accepted. If a quotation has been received by the vendor, the contract exists when the purchase order is issued in accordance with the terms of the quotation. The Finance Office reserves the right to withhold payment to a supplier where a purchase order has not been issued to the supplier in advance of receiving the goods or services.
- 6.3. Cancellation or Modification of Purchase Orders
- 6.3.1. A PO can be modified as long as no item on the PO has been “received” in the system. Users should refer to the “Purchasing in Colleague” user manual, maintained by the Finance Office, for detailed instructions on how to create, modify, and void purchase orders.
 - 6.3.2. The use of open purchase orders is not permitted. The Finance Office has the ability to close purchase orders if there are items that were ordered that the supplier cannot deliver or if the item has been cancelled by the purchaser.
- 6.4. Vendor Pre-Payments and Deposits
- 6.4.1. Although rare, there are occasions when vendor pre-payments or deposits are required such as for specialty items, very expensive items, custom-made items, rental services, etc. In these instances, documentation from the vendor stipulating the required pre-payment or deposit amount should be attached to a completed Cheque Requisition form with appropriate approvals and forwarded to Accounts Payable for payment.
- 6.5. University Credit Cards
- 6.5.1. The distribution of University credit cards is limited.
 - 6.5.2. Payment of expenditures using University credit cards is permitted for low dollar value goods and services.
 - 6.5.3. Credit cards have a maximum credit limit of \$1500 (exceptions are made for those individuals with a demonstrated need for larger purchases made in accordance with this policy).
 - 6.5.4. University credit cards have a single transaction limit of \$500. Transactions which exceed \$500 shall not be split to circumvent this policy. A Visa Purchase Order may be created to obtain approval for single purchases over \$500. Procedures are found in the NSCAD Commercial Card Policy and Procures document.
 - 6.5.5. University credit cards should not be used for capital items (such as computer hardware, software, furniture, books and cell/smart phones and/or monthly service plans for such devices) office supplies, building supplies, membership dues, subscriptions, licenses, gift cards and travel. Exceptions are pre-approved student recruitment travel, School Store purchases, Library purchases of books online, pre-approved travel and conferences (by Vice-President, Finance and Administration, Vice-President, Academic and Research and President), visitor travel approved in advance by the Vice-President, Academic and Research using a purchase order, and in other circumstances where written consent is obtained in advance by the Vice-President, Finance and Administration.
 - 6.5.6. If a vendor is regularly paid by cheque, University credit cards should not be used as a method of payment (Staples, Kent, Home Depot, Lyreco, etc.).

- 6.5.7. With the exception of f travel funded by PDR/PDA allowances outlined in collective agreements, all travel, meals, entertainment, conferences and professional development must be pre-approved by the respective supervising Vice-President, Finance and Administration, Vice- President, Academic and Research, or President, as applicable, regardless of the funding source. Once a year, an itemized report of senior management travel, entertainment, conferences and professional development expenses is reviewed by the Audit and Risk Oversight Committee. All expenses related to Presidential travel, entertainment, conferences, hospitality and professional development must be in accordance with NSCAD policies and are approved by the Board Chair.
- 6.5.8. Credit Card Expense reports must be completed online using the credit card reporting platform submitted to the Finance Office **five** business days following the 1st of every month, along with original itemized vendor receipts (summarized credit card slips are not acceptable). Late submission of these reports will result in credit cards being frozen until the reports are submitted and continued late submission may result in credit cards being cancelled.
- 6.5.9. University credit cards should not be used for personal expenditures. Liability for payment of charges on the University credit cards rests with the University. The cardholder is not personally liable for any charges providing the card has been used in accordance with this policy. The cardholder must agree to the terms of the Cardholder Agreement upon receiving a credit card. The cardholder should also be familiar with the NSCAD Commercial Card Policy and Procedures and ensure they receive training on the online credit card platform.

6.6. Travel Expense Claims

- 6.6.1. For employee reimbursement of travel expenses a travel claim form should be used. Refer to Travel Expense Policy for details.

6.7. Professional Development Allowance (PDA/PDR)

- 6.7.1. PDA/PDR forms are to be completed by Unit I and II employees when requesting reimbursement for PDA/PDR purchases. Forms must be submitted along with original receipts showing serial numbers (if applicable) to Accounts Payable to determine the balance remaining in the PDA/PDR account.
- 6.7.2. Accounts Payable will then forward the documentation to the Office of Academic Affairs and Research for approval.
- 6.7.3. The documentation is then returned to Accounts Payable for reimbursement.
- 6.7.4. For union exempt employees, all employee conferences and professional development must be pre-approved in writing in advance by the Vice-President, Academic Affairs and Research, Vice-President, Finance and Administration, or the President.

6.8. Cheque Requisitions

A Cheque Requisition Form is to be used for such expenditures as reimbursable employee expenses (other than travel), insurance, lease payments, photocopier meter reads, licenses, library subscriptions, postage and courier, brokerage and customs fees, legal and other professional fees. Approved forms are to be submitted as soon as possible to the Finance Office along with original itemized receipts. Summarized credit card slips are not acceptable, nor are photocopies of invoices and receipts. All invoicing should be directed to the Finance Office and addressed as NSCAD University.

6.9. Petty Cash

To save costs related to cheque generation, petty cash should be used for small dollar purchases (\$50.00 and under) for which a University credit card could not be used. For replenishment of petty cash funds, forward an

approved petty cash replenishment form along with original receipts to Accounts Payable. Departments require the approval of the Finance Office to establish a petty cash fund.

6.10. Advances

As a matter of policy, the University does not make payments in advance and does not make payments in cash. Suppliers who are not prepared to extend credit terms should be excluded from the regular supplier list.

6.11. Returns for Credit

All NSCAD University employees must notify Accounts Payable when items are returned for credit. Accounts Payable will work with the supplier to determine how, when and where the items should be returned.

6.12. Capital Asset Disposals – refer to the Capital Asset Control Policy 4.2 for details

6.13. Ownership of Assets and Inventory

6.13.1. Furniture, equipment, cell/smart phones, computer hardware, computer software, books, supplies and inventory purchased with operating, capital, grant, professional development allowances, research or donor funds are the property of the University at the time of acquisition. NSCAD University is responsible under research grants, contracts and agreements for the custody of equipment purchased from the funds provided. Unless otherwise specified by a granting agency, all property is considered to be NSCAD University property at the time of purchase. The ownership of certain assets purchased by NSCAD University may be determined by the granting agency upon completion of the research project.

6.13.2. All assets purchased through professional allowances, including computers, smart/cell phones, and software, books etc., are the property of NSCAD University, even if located off campus, and are included in this Policy, unless otherwise specified in an individual's employment contract. All NSCAD University employees must ensure that assets under his or her custody are well maintained and safeguarded and may be responsible for any loss or damage due to willful negligence.

6.13.3. Materials, books or equipment purchased with University funds (including research and professional development funds) should not be removed from the physical premises of the University (for example, the use in a personal studio or residence) without notifying in advance the Office of Academic Affairs and notifying the Vice-President, Finance and Administration of the removal and location. To remove items from the University, employees must complete a Request to Remove Material, Books or Equipment Form.

6.13.4. As a requirement of the auditors, the University maintains a capital central tracking list of capital assets, which should identify the location and value of all equipment owned by the University.

6.14. Purchasing Materials for Resale

6.14.1. University Departments (except the School Store) should not be making purchases for direct resale to students or other customers.

6.14.2. Materials purchased by departments should be for the delivery of class curriculum.

6.14.3. If a department sells any materials or services to students it must inform the Controller to ensure proper procedures are in place and the appropriate amount of tax is charged.

6.14.4. It must also ensure to collect appropriate taxes and follow the Cash Handling Policy.

6.14.5. Where materials are sold, proper inventory control over these items should be established; the amount of inventory on hand should be counted quarterly and agreed to records.

6.15. Service Contracts

The purchase of equipment and technology is often accompanied by an offer (at an additional cost) of a service contract. In other situations, vendors offer a service plan/contract subsequent to a purchase. Experience has repeatedly shown that service contracts generally do not represent good value for the cost and should therefore be avoided. As a general rule, if the cost of the equipment or technology is less than \$10,000, a service contract is likely not to be advantageous and should be avoided. When in doubt, consult the Vice-President, Finance and Administration.

7. Personal Purchases/Purchasing for Employees

- 7.1.1. The University purchasing system and funds shall not be used for personal purchases and the shipping area shall not receive or ship personal items.
- 7.1.2. Supplies, materials and equipment may not be purchased by the University for resale to University employees except for those through the School Store.
- 7.1.3. Under no circumstances should any University employee use the name of NSCAD University to obtain discounts for privately purchased materials and/or services. All questions relating to employee purchases should be referred to the Finance Office.

7.2. Purchasing from Employees

Purchases of goods or services from employees or from those which have a personal interest with a University employee cannot be made without prior written consent from the Vice-President, Finance and Administration. See Conflict of Interest section of this Policy for further details.

7.3. Honoraria (including stipends and other payments to individuals paid through payroll outside of collective agreements and employment agreements)

Regardless of funding source, all honoraria are to be paid via Honorarium form. Forms are to be approved by the Vice President, Academic and Research or AVP University Relations prior to submission to the Finance Office. For internal control purposes, any payments of Honoraria paid through payroll are treated like cheques and require the advance sign off of the Controller and Vice President Finance and Administration. Honorarium payments are subject to payroll deductions, unless the recipient has obtained a Canada Revenue Agency Ruling (CRA) in writing. In the rare occasion Honoraria payments are not taxed at source, the recipient will receive a T4A at the end of the tax year. For all Honoraria payments, supporting documentation must include an original invoice copies, support and justification for the amount and rates paid (number of hours and pay rates), description of work completed, original detailed receipts, payee details including a valid SIN number. The amounts of the Honoraria need to be verifiable, internally consistent and reasonable for the level of services received. If travel is paid to Honoraria recipients, it is paid in accordance with the NSCAD travel policy and upon receipt of supporting receipts.

7.4. Visiting Artists and Guest Lecturers and related expenses

- 7.4.1. Visiting artists and guest lecturers request should be made using an Honorarium and Travel Request Form. This form should be approved by the department Chair and sent to the office of Academic Affairs and Research for approval.
- 7.4.2. Once approved, if travel and hotel bookings should be organized based on the Travel Policy guidelines.
- 7.4.3. The Meal and Entertainment Expense policy should be followed for all expenses related to hosting a guest of the University. All travel, meals and entertainment funded by research grants and/or

external agencies must follow NSCAD policies unless the research agreement/external agency regulations specify in writing different rates.

- 7.5. Regardless of funding source, if the University is covering meals and sundry expenses of the Visiting Artist or Guest Lecturer, these expenses should be limited to the Meal Allowance amounts in the Travel policy and alcoholic beverages should not be charged to the University, nor should room service and restaurant meals at hotels.
- 7.6. Purchasing Using Research Grants and Other External Funding
 - 7.6.1. The awarding documentation of University grants generally state that any materials, computer and phone hardware and software, equipment and supplies that are purchased by the recipient of the grant are to become the property of the University. As such, research grant holders are to follow normal purchasing and requisitioning procedures within this policy in the procurement of their goods and services. Note that some research grants/awards have additional purchasing restrictions that must be followed as per the funding agreements.
 - 7.6.2. It is the responsibility of the purchasers to familiarize themselves with the funding agreements. Where the agreements are silent, NSCAD University policies are to be followed.
 - 7.6.3. All travel, meals and entertainment funded by research grants and/or external agencies must follow NSCAD policies unless the research agreement/external agency regulations specify in writing different rates.
- 7.7. Gift Cards

University funds should not be used for the purchase of gift cards unless approved in advance by the Vice-President, Finance and Administration.
- 7.8. Personal Funds

Employees should not use personal funds to purchase goods or services for University requirements since it creates inaccurate reporting of University spending for goods and services and may cause the University to lose the opportunity to take advantage of supply agreements. The University participates in a provincial spend analysis process which assists all of the Atlantic Universities in securing preferential pricing for goods and services. In order for the provincial spend analysis process to work optimally it requires that all payments be made directly to vendors rather than through employees.
- 7.9. Payments to Contract Workers

All payments to contract workers/employees must be made directly by the University for T4A purposes. If University employees pay contract workers out of their personal funds they will not receive reimbursement from the University.
- 7.10. Standardization of Supplies, Materials and Equipment
 - 7.10.1. Standardization of all supplies, materials and equipment is to be achieved whenever possible. A University-wide effort to support and fill consolidated requirements in standard commodities e.g.: office supplies, toner cartridges, printing, computer equipment, etc., allows the economical purchase of materials and supplies on a University-wide basis and therefore assists in optimizing cost reductions. It is University policy to achieve standardization of supplies, materials and equipment.

- 7.10.2. The Finance Office will establish a preferred supplier list for specific goods (paper, office supplies, courier, etc.). Authorization is required from the Finance Office to purchase standard materials from a supplier that is not on the preferred list.
- 7.10.3. All purchases of arts materials should be discussed with the School Store Manager in order to build University volume discounts.

7.11. Sustainable Purchasing

- 7.11.1. All purchase transactions should be assessed not only using generally understood commercial factors, but also using environmental, social and ethical considerations.
- 7.11.2. The following principles should form the foundation of sustainable purchasing initiatives:
 - 7.11.2.1. Reuse, share or rent goods to eliminate the requirement to purchase.
 - 7.11.2.2. Purchase used equipment to eliminate the environmental impact associated with manufacturing. If purchasing new is required, purchase items that:
 - (a) are durable, long lasting, reusable, or refillable, have a long economically useful life and/or can be economically repaired or upgraded;
 - (b) are biodegradable;
 - (c) have minimal content of and use of toxic substances in production and at disposal;
 - (d) minimize resources and energy/water consumption during manufacturing, operation and end of life;
 - (e) contain recycled material (post-consumer recycled content);
 - (f) produce fewer and/or less polluting by-products during manufacturing and distribution;
 - (g) use minimal packaging or use packing material that is reused and recycled;
 - (h) are produced locally for economical and environmental benefits;
 - (i) can be shared with others;
 - (j) are from businesses that consistently demonstrate sustainable and socially conscious practices;
 - (k) are recyclable - local facilities exist that are capable of recycling the item at the end of its useful life.

7.12. Purchase of Hazardous Materials

- 7.12.1. This component of the policy applies to all purchases classified as hazardous materials under the federal government legislation known as the Workplace Hazardous Materials Information System (WHMIS).
- 7.12.2. In accordance with WHMIS, all purchases of hazardous materials require Material Safety Data Sheets to be supplied from the manufacturer. Proper instructions for hazardous material usage must be made available to University staff and students using the product.
- 7.12.3. All disposals of hazardous materials should be coordinated with the Director of Facilities and the acquiring department is responsible for expenses related to the removal of any hazardous materials following their purchase.
- 7.12.4. It is the responsibility of individual faculty and staff to ensure that the requirements of the policy are met.

8. Signing Authority

- 8.1. Expenditures are to be properly authorized and within the limitations of the acquiring department's budget.
- 8.2. Expenditures are subject to budget availability approval by the Finance Office.

8.3. Authorization requirements are as follows:

- 8.3.1. Expenditures under \$500 may be authorized by an appointed individual in the acquiring department with budget oversight responsibility (e.g., support staff, technician) unless the expenditure is an employee reimbursement to oneself. In such cases, supervisor authorization is required.
- 8.3.2. Expenditures greater than \$500 but less than \$5,000 are to be authorized by the individual in the acquiring department who is responsible for the departmental budget (e.g., Chair, Director).
- 8.3.3. Expenditures greater than \$5,000 but less than \$10,000 require the authorization of the Vice-President, Finance and Administration or the President.
- 8.3.4. Expenditures in excess of \$10,000 require the authorization the Vice President, Finance and Administration AND the President.
- 8.3.5. In addition to the authorizations noted above, purchases of all capital assets (such as computer hardware, software, equipment, furniture and cell/smart phones) require the authorization of both the Vice-President Academic and Research and the Vice-President, Finance and Administration. If the capital asset being purchased is computer hardware, cell phones, smart phones or software, it also requires the authorization of the Director, Computer Services.
- 8.3.6. Expenditures of research grants are to be authorized by the Vice-President, Academic Affairs and Research (to ensure expenditure eligibility).
- 8.3.7. Expenditures of union exempt employees for professional development such as conferences require pre-authorization from either the Vice-President, Academic Affairs and Research and the Vice-President, Finance and Administration or the President.
- 8.3.8. Increases to an employee's compensation costs or the total complement of employees requires specific prior approval from the Vice-President, Finance and Administration; Vice-President, Academic Affairs and Research and the President. Please refer to the Hiring and Compensation Change Authorization Form for all hires and changes to compensation.
- 8.3.9. Expenditures of the President should be approved by either the Board Chair or Board Treasurer and should be presented to the Audit and Risk Oversight Committee on at least an annual basis. Expenditures indirectly purchased on behalf of the President (i.e. through another individual's credit card) should be approved as if they were the President's. The President's expenses will be presented to the Audit and Risk Oversight Committee on at least an annual basis.
- 8.3.10. Additional authorization may be required based on the Signing Authority Policy for items such as: Legal documents or contracts requiring the signature of a signing officer of the University must in all cases be referred to the President or Vice-President, Finance and Administration. In some cases, these documents will require the University seal per Article XVI of the By-Laws.

9. Competitive quotations

- 9.1. The Office of Finance and Administration, and/or the designate, is responsible for obtaining bids on all materials and/or services covered under this policy. Quotes and bids must be in sufficient detail to enable comparison based on number of hours and/or units of service, service rates per hour/unit and material costs.
- 9.2. Unless a specific exception has been preapproved by the Vice-President, Finance and Administration, quotations should not be solicited from any company that is owned, controlled, or actively influenced by any University employee, or immediate relative of an employee.
- 9.3. Purchase transactions must comply with the requirements of the Nova Scotia procurement legislation and trade agreements. The anticipated value of material or services will determine the procurement procedure. Please refer to the threshold grid table below for the appropriate method.

Threshold	Under \$2,000	\$2,000 to \$7,499	\$7,500 to \$14,999	\$15,000 to \$49,999	\$50,000 to \$99,999	\$100,000+
GOODS	Written Quote or Standing Offer	Three Competitive Quotes or Standing Offer	Tender By Invitation (3 Bids) or Standing Offer	Public Tender > \$25,000 (per APA)	Public Tender	Public Tender
SERVICES	Written Quote or Standing Offer	Three Competitive Quotes or Standing Offer	Tender By Invitation (3 Bids) or Standing Offer	Tender By Invitation (3 Bids) or Standing Offer	Public Tender	Public Tender
CONSTRUCTION	Written Quote or Standing Offer	Two Competitive Quotes or Standing Offer	Tender By Invitation (3 Bids) or Standing Offer	Tender By Invitation (3 Bids) or Standing Offer	Tender by Invitation	Public Tender

9.4. When requesting pricing, departments are reminded to address the following issues as they apply to the order and include the information on the purchase order:

- 9.4.1. Lead time for delivery
- 9.4.2. Method of shipping
- 9.4.3. FOB point (who pays the shipping)
- 9.4.4. Insurance coverage while in transit
- 9.4.5. Warranty (on site or off)
- 9.4.6. Installation
- 9.4.7. Service labour rates per hour and number of hours

9.5. Value of Purchase and Approvals

- 9.5.1. When assessing the threshold level to use in the threshold grid table, for any purchases involving reoccurring payments over a contract period, leases or rental agreements, the department making the purchase should include the total of all payments over the life of a contract. For example, if a 3-year contract for a service is \$500/month for 36 months, the threshold to use (the value of the transaction) would be \$18,000 including HST.
- 9.5.2. Any purchase, rental, service or leasing contracts require the pre-approval and signature of the Vice-President, Finance and Administration. All extras to any ongoing contract shall be pre-approved by the Vice-President, Finance and Administration. Any purchases for capital items and for goods/services over \$5,000 require pre-approval by the Vice-President, Finance and Administration.
- 9.5.3. Splitting purchases over multiple transactions is not permitted to circumvent purchasing procedures or approvals.
- 9.5.4. The University accepts no responsibility for the payment of invoices resulting from unauthorized purchase commitments.

9.6. Written Quotations

In situations where the value of the purchase is estimated to be less than \$2,000, a written quotation from the supplier is required. Quotations should include the price of the good or materials, rate per hour for services and number of hours, all taxes, freight charges, insurance and customs costs. A copy of the written quotation

should be forwarded to the Finance Office. If a department has contacted more than one source, the information should be sent to the Finance Office to accompany the purchase order.

9.7. Standing Offers/ University Group Purchasing

- 9.7.1. The University has access to consolidated agreements and standing offers put in place through a competitive process initiated by organizations such as ISI, CAUBO and the Province of Nova Scotia. These agreements are set up by a consortium of universities to consolidate their buying power and the negotiated standing offers generally reflect the lowest total end-use cost for members considering quality, service and price. These agreements are for use by the University and include agreements for purchases of stationery, waste removal, courier, shredding services, car rentals, courier, paper disposable (paper towels, toilet paper), garbage bags, paper-fine (for copiers and printers), hotels and building supplies. For a current copy of the University's standing offer agreements please contact the Finance office.
- 9.7.2. All University purchasing must utilize these standing offers and preferred suppliers unless otherwise approved by the Vice-President, Finance and Administration. Exceptions will only be made if it can be clearly demonstrated that better pricing can be secured with an alternate supplier providing equivalent quality and service.

9.8. Competitive Quotations

- 9.8.1. Where the value of the transaction is estimated to be between \$2,000 and \$7,500, the purchase must be made on a competitive basis with an informal solicitation to at least three known suppliers of goods/services to confirm pricing, specifications and terms (see ethical practices section of this document). When obtaining quotations, discuss delivery options with the supplier because they may have an impact on the purchase price. Estimated costs must include the price of the good or materials, rate per hour for services and number of hours, all taxes, freight and shipping charges, insurance, customs and other related costs.
- 9.8.2. All documentation must be forwarded to the Finance Office in advance of generating an electronic purchase order.

9.9. Tender by Invitation

- 9.9.1. Where the value of the transaction exceeds \$7,500 a tender must be issued. Tender by invitation enables the user department to limit the number of bids to known vendors who are invited to participate.
- 9.9.2. The University should aim for at least five quotes with a target of three prices. If less than three prices are obtained, ISI should be solicited to provide an independent opinion on the process via email.
- 9.9.3. The Department should always call the vendors in advance to inquire about their willingness to quote. If they are unable to quote, they are asked to provide a letter for our files indicating why they are unable to quote.

9.10. Public Tenders

- 9.10.1. A public tender is a formal solicitation document inviting binding proposals for the delivery of goods, services and construction. In a tender, the requirements are clearly defined with price, work schedule and delivery representing some of the evaluation criteria. Legislation mandates the use of public tenders within specific thresholds (refer to grid in earlier section of this policy) which means that the tender opportunity must be advertised to the public.

9.10.2. Public tenders should be coordinated through ISI. Suppliers' responses must be sealed and received before the specified date and time. All suppliers that submit a bid will be informed of the award results.

9.11. Capital Building and Renovation Projects

It is the responsibility of the Financial and Physical Resources Committee of the Board to review proposals for capital building and renovation projects (>\$50,000) and to make recommendations on the implications to the Board. The Board of Governors approves the budget and funding for all capital building and renovation projects along with the annual operating budget approval. For all capital building and renovation projects, the reporting to Financial and Physical Resources Committee should include the following:

- 9.11.1. A full outline of the scope at the outset of the project along with the final design and detailed budget. The budget should contain a sufficient and realistic contingency.
- 9.11.2. Any significant changes to the scope and the associated budget implications.
- 9.11.3. Any environmental health and safety issues associated with the project should be highlighted.

9.12. Contingency Requirement and Approval

All purchases large enough to require a public tender should include a 10-15% contingency. If, at any time, more than 50% of a contingency is expended, it must be reported in writing to the Vice-President, Finance and Administration. Spending of any contingency amount in a budget for a capital project shall require the approval of the Vice-President, Finance and Administration.

9.13. Contract Awards

- 9.13.1. Contract awards should be to the lowest priced bidder. The qualified bidder is deemed to be the bidder offering the lowest total cost while satisfying all mandatory requirements identified in the tender document.
- 9.13.2. To comply with the legislation, awards to bidders other than the lowest priced bidder must be supported by a written evaluation and filed for public view. Subject to the authority of the Vice-President, Finance and Administration, the University reserves the right to reject any or all bids and to contract in the best interest of the University.

9.14. Alternative Procurement Practice

Subject to the authority of the Vice-President, Finance and Administration, there may be unforeseen situations of urgency where a good, service or construction requirement cannot be obtained by means of open procurement procedures. Some examples are: Emergency repairs on a building or piece of key equipment; ensuring compatibility with existing products such as exclusive licenses, copyrights, or patents; to maintain specialized products/equipment according to manufacturer specifications; the purchase of goods on a commodity market; work performed by lessor on a leased building; for technical reasons the goods/services can only be supplied by a particular vendor and no known alternative or substitute exists; procurement of goods/services for which there is a statutory monopoly which is controlled by a supplier; work performed according to the provisions of a warranty or guarantee; the procurement of original works of art; the purchase of goods from a supplier in circumstances of bankruptcy or receivership; goods/services purchased to foster the development of a sheltered work program or other philanthropic institutions; goods intended for resale to the public; and services required for the purpose of conducting litigation and a situation where open procurement could compromise confidentiality.

9.15. Requests for Proposals

Requests for proposals (RFP) are used to solicit submissions when general requirements are stated and the University wishes to rely on or benefit from the expertise and experience of the bidders. Typically, no generic specifications or requirements exist and the University wants to obtain the goods/services which best meet its needs. In this process, bidders are asked to outline their resources, approaches, technologies and costs in a formal proposal. The process still requires established criteria but they typically include considerations other than cost (such as effectiveness and value). Negotiations with suppliers may be required to finalize any aspect of the requirements.

9.16. Vendor Notification

It is normal practice to notify unsuccessful vendors that other quotations were received and the contract awarded. This procedure should be followed for all formal requests for quotations which are in excess of \$5,000.

9.17. Confidentiality

All employees should endeavour to protect the confidentiality of pricing and other competitive information of the vendors/suppliers (see ethical practices section of this document). Any requests to reveal information, including those of a public tender, must be referred to the Vice-President, Finance and Administration.

9.18. Audit

All procurement activities are subject to regular audit procedures. These audits will assess level of compliance with policy and established procurement procedures as well as examine whether procurement decisions are defensible and accountable.

10. Liquor license compliance and liquor purchases

10.1. The consumption of alcoholic beverages on campus is prohibited except in the locations that have been officially designated in the NSCAD liquor license.

10.2. The purchase and distribution of alcoholic beverages is managed by the Director of Facilities. The Director of Facilities is the final arbitrator of all matters relating to conformity with the License. The purchase of alcohol in a university carries specific responsibilities as to use and the University and its employees can be held liable for consequences resulting from the consumption of alcoholic beverages purchased with the NSCAD license that occur both on and off campus. Please refer to the Alcohol Policy on the NSCAD website for details.

10.3. Liquor Purchases

Liquor purchases are restricted to consumption within designated areas only (no off-campus or non-designated area consumption) and purchases are made on a per event basis (no purchase for inventory). Purchases not consumed for an event must be returned to the Director of Facilities to obtain credit. Liquor purchases require strict adherence to liquor consumption age requirements. Alcohol purchases are made on a per event basis (i.e. no purchase for inventory). Actual purchases of alcohol under the NSCAD liquor license must be made by a Service Centre employee. The NSLC does not sell on credit, therefore cheques must be requisitioned sufficiently in advance of the date required to allow preparation by the Finance Office.

11. Ethical practices

11.1. The purchase of goods and services using accounts managed by the University, including research grants and contracts, will be made using fair, transparent and equitable procurement practices. It is the responsibility of

all employees to maintain the reputation of the University, to keep good relations between the University and its suppliers and to keep in mind that personal contacts can form much of the basis of the suppliers' opinion of the University. Any persons who make, influence, or approve purchasing transactions should therefore operate under the following guidelines:

- 11.1.1. Equal opportunity is afforded to all suppliers through clear specifications and open competition. Business will be awarded without favoritism.
- 11.1.2. All terms, prices, and conditions of a quotation, order or agreement must remain confidential; employees must not engage in price disclosure for the purpose of increasing competition.
- 11.1.3. Quotations should not be requested from companies who do not receive fair consideration.
- 11.1.4. Advantage should not be taken when it is clear an error has been made by a supplier.
- 11.1.5. Obligations should not be made beyond those which form part of the transaction.

11.2. Gifts and Gratuities

- 11.2.1. Employees should not accept gifts, entertainment or any form of special consideration (valued in excess of \$50 from one source during a fiscal year) from individuals or entities that can result in a conflict of interest (where the party providing the gift/entertainment/special consideration does so under circumstances where it might be inferred that such action was intended to influence or possibly would influence the faculty or staff member in the performance of their duties). The recipient might be deemed by others to have been influenced in making a business decision as a consequence of receiving such gifts or gratuities. University employees may not accept cash, discounts, kickbacks, preferential treatment, gift certificates, excessive entertainment and gifts or loans on preferential terms. Any employee who is offered or receives such a gift or gratuity should refuse it and return it to the giver in a tactful way advising the giver of the University's position prohibiting its acceptance.
- 11.2.2. The Code of Ethics of the Purchasing Management Association of Canada and its Institutes shall be the guide for all employees regarding the acceptance of gifts and gratuities. Appropriate disciplinary action may be taken against an employee who disregards the intent of this policy.

11.3. Removal of Materials and Equipment from the University Campus

It is the policy of the University that any materials, supplies, books and equipment purchased with University funds should not be removed from the physical premises of the University (for example, the use of equipment and materials at a personal studio) without notifying the Vice-President, Academic and Research and the Vice-President, Finance and Administration of the removal, the location and the duration. The University maintains a capital inventory system, which should identify the location and value of all equipment owned by the University.

11.4. Conflicts of Interest

- 11.4.1. It is the policy of the University not to purchase any material, equipment or service from a University employee, an employee-owned business venture or from those with whom the employee has personal interest.
- 11.4.2. Any employees who make, influence, or approve purchasing transactions should avoid conflict of interest situations or the appearance of conflicts of interest since they can be potentially detrimental to the best interest of the University. Any employee influencing purchasing decisions who feels a conflict of interest may exist must inform the Vice-President, Finance and Administration of the circumstances involved so that a decision can be made whether a conflict of interest is present and if so what course of action should be taken. Some examples of potential conflicts of interest include:

- 11.4.2.1. Entering into or involvement in a purchasing or tender process, contractual arrangement or transaction on behalf of the University with a company, individual or firm in which the faculty or staff member, or a member of his/her family or an individual with whom there exists, or has existed within a previous five-year period, a personal interest.
- 11.4.2.2. Advocating or lobbying for goods or services of a firm where one has a personal interest.
- 11.4.2.3. Influencing the purchase of equipment, materials, or services for the University with a company, individual or firm in which the faculty or staff member, a family/personal associate, or a person with whom there exists, or has existed within a previous five-year period, a personal interest.
- 11.4.2.4. Seeking a discount on goods/services for personal use on the basis of having been granted past University business to the firm involved or of being able to secure future University business for the firm involved.
- 11.4.2.5. Taking undue personal advantage of material or property that belongs to the University. Personal Interest refers to any interests that involve potential gain for a faculty or staff member or for any other individual or organization they may wish to benefit. This includes the personal, financial, intimate or other interest of the faculty or staff member and/or their family/personal associates.

11.5. Reciprocity

It is recognized that the University must actively solicit donated funds throughout the community and this is an important source of revenue for the University; however, reciprocity will not be a condition of purchase for the University. Reciprocal arrangements can only work to the detriment of the University and weaken the University's leverage in negotiating with a supplier to obtain the lowest total cost.

11.6. Legal Jurisdiction

All contractual documents concerning the purchase of goods and services must conform to legal requirements as to point of delivery, price, and description of material and terms of acceptance. Any questions concerning the legality of a pending purchase should be referred to the Vice-President, Finance and Administration at the earliest opportunity.

11.7. Confidentiality and Accuracy of Information

The majority of transactions related to purchasing are of a confidential nature and should be treated as such, especially regarding the University's suppliers. It is considered unethical, as well as damaging to the University's reputation, to allow information from one supplier's quotation to be shared directly or indirectly with another supplier.

- 11.7.1. Information given in the course of any purchasing activity must be true and fair and not intended to mislead or misrepresent.
- 11.7.2. All information held (or acquired indirectly) by a University employee in the course of his/her involvement in purchasing activities is to be treated as confidential information, and cannot be disclosed to any other vendor or to any other person including University employees who are not authorized to have access to that information.

12. Compliance

- 12.1. Failure to comply with this policy may result in disciplinary action, up to and including termination, in accordance with the relevant collective agreement or employment guidelines. NSCAD also retains the right to

pursue any action, including criminal prosecution and civil remedies, when misuse of its information or resources is suspected either during the course of employment or after the termination of employment.

12.2. This policy is intended to be complementary to other policies and collective agreements governing the conduct of faculty and staff. In situations where this policy may be in conflict with Collective Agreements, the Collective Agreements shall prevail.

Forms and Tools

Atlantic Procurement Agreement:	http://www.cap-cpma.ca/images/CAP/Procurement%20Agreement%20English.pdf
Cheque Requisition form:	https://navigator.nscad.ca/wordpress/wp-content/uploads/2017/12/Cheque-Requisition-form.pdf
Code of Ethics, Purchasing Management Association of Canada and its Institutes:	http://carleton.ca/purchasing/wp-content/uploads/PMAC-Code-of-Ethics.pdf
Hiring Authorization Form:	https://navigator.nscad.ca/wordpress/wp-content/uploads/2017/12/HIRING-and-COMPENSATION-CHANGE-AUTHORIZATION.pdf
Nova Scotia Public Procurement Act:	http://nslegislature.ca/legc/bills/61st_3rd/3rd_read/b023.htm
Petty Cash Reimbursement form:	https://navigator.nscad.ca/wordpress/wp-content/uploads/2017/12/Petty-Cash-Replenishment-form-June-2011.xlsx
‘Purchasing in Colleague’ User Manual:	https://navigator.nscad.ca/wordpress/wp-content/uploads/2017/12/PURCHASING-IN-COLLEAGUE-USER-MANUAL.pdf
Travel Claim form:	https://navigator.nscad.ca/wordpress/wp-content/uploads/2017/12/TravelClaimForm.xlsx
Online credit card reporting platform:	https://www.centresuite.com/Centre/Public/Logon.aspx
Purchasing Policy:	https://navigator.nscad.ca/wordpress/wp-content/uploads/2018/12/4.6-Purchasing-Policy-5.pdf