

FRESNO STATE PROGRAMS FOR CHILDREN, INC.

Policy No. 602

Procurement Policy

This policy is applicable to the following auxiliary corporations:

- Agricultural Foundation
- Association
- Associated Students, Inc.
- Foundation
- Programs for Children

REVISION RECORD

Date	Type	Approval Authority
1/26/2012	Revision	Approved by the Board of Directors
5/6/2026	Revision	Approved by the Board of Directors

DOCUMENT CONTROL

Approved By: Board of Directors	Date Approved: 05/06/2026	Next Review Date: May 2029
Responsible Position(s) PFC Executive Director, Program Director and Executive Director of Auxiliary Services		Document Control Number: Policy 602

PURPOSE

The purpose of this policy is to provide guidelines for ensuring good sound business practices when purchasing items that support the various needs of Programs for Children. Programs for Children PFC is committed to open and free competition, to the maximum extent practical and prudent, in the purchase of equipment, materials, supplies and services. PFC is committed to seeking cost-effective services to the extent possible.

STATEMENT OF POLICY

1. Purchases shall be made in a cost-efficient manner that supports and facilitates a competitive pricing process based upon cost, quality, service, and product availability while still meeting the operational requirements of PFC.
2. Purchases shall follow what is customary in the marketplace for a particular commodity or product and be consummated in such a manner to constitute a reasonably prudent and well-documented business transaction.
3. Purchases from funds held in trust for the University by the PFC shall conform to the University policy and regulations governing the use of such funds.
4. Sustainable and/or recycled products shall be considered for procurement in place of non-sustainable/recycled products whenever such products are available at no additional cost.
5. Volume purchases and annual purchase agreements shall be utilized when deemed to be advantageous.
6. Purchases from PFC employees, California State University staff/faculty and/or auxiliary staff of items for resale are not allowed.
7. In accordance with PFC's Code of Conduct, no PFC member, auxiliary employee, or California State University employee by virtue of their position, will personally derive any benefit, gain or receive preferential treatment from the use of PFC resources (i.e. facilities, equipment, supplies, services). If an issue arises that could create a potential Conflict of Interest, the Executive Director must be contacted so that any resolution is handled appropriately.

7. If either PFC or University employees fail to follow these policy requirements, they may be assuming a personal liability for payment to the vendor and could be subject to applicable disciplinary action.

POLICY REQUIREMENTS BY EXPENSE CATEGORY

1. Supplies and Services:

- a. Purchases of \$10,000 or less may be approved by the Program Director, assuming that is included in the current year budget. Such purchases shall be made in a manner customary to the marketplace using sound business practices. Price quotations may be required if PFC determines the goods or services have been repetitively purchased from the same vendor. Purchase orders are optional but strongly encouraged. Multiple price quotes are strongly recommended.
- b. Purchases in excess of \$10,000 require a purchase order. Please see the Purchase Requisition Section regarding those requirements.
 - As required elsewhere within this policy, a written agreement may be used in lieu of a purchase order. Please see the agreement section regarding those requirements.

Units shall obtain the following minimum competitive bids based upon price, quality, performance and/or technical specifications, and vendor responsiveness:

- Purchases in excess of \$10,000 and less than \$50,000 shall have a minimum of two (2) competitive bids.
- Purchases at or above \$50,000 and less than \$100,000 shall have a minimum of three (3) competitive bids.
- Purchases (often one-time) over \$100,000 require a formal bidding (RFP) process.
- Purchases that are expected to exceed \$100,000 in a fiscal year will require a formal bidding (RFP) process.
 - If payments in a fiscal year for a given activity exceed \$100,000, a formal bidding (RFP) process will be required prior to the start of the next fiscal year.

Because of the potential for price fluctuations, the actual amounts of an approved purchase order can be +/-5% of the approved amount. Any

amount in excess of this would require a request to increase the purchase order amount.

If price quotes are required, they must be attached to the Purchase Order request form (or the agreement) so that a Purchase Order can be issued. If written quotes are not available, the Program Director is required to document the verbal price quote by including the date, vendor name, contact information, and price quote and attach such documentation.

2. Equipment:

- a. All equipment purchases greater than \$10,000, if not included in the approved annual budget, require prior approval by the Executive Director.
- b. Equipment purchases in excess of \$20,000 shall be approved by the Board of Directors. Under emergency conditions or unusual circumstances, such approval is granted to the Executive Director with a subsequent report to the Board of Directors.
- c. The purchase of computer equipment (including hardware, software, etc.) for PFC operations shall be compatible with program goals and objectives, be within the approved budget, and if applicable, be approved by the IT liaison in Technology Services to ensure alignment with campus IT standards.
- d. Equipment purchases requiring on-campus installation involving the provision of labor by the vendor/contractor will require a written agreement, which must be reviewed by Auxiliary staff and if required, external counsel.

Sole Source

For sole source purchases, if required bids are unable to be obtained, a written justification and approval are required based on the following thresholds:

- Sole source purchases in excess of \$10,000 will require a written justification and approval by the PFC Executive Director.
- For all sole source purchases, the written justification should include:
 - Description of the unique performance factors of the products, why these factors are required and what other products have been evaluated and why they are not feasible.

Please note that the written justification and approvals are required prior to the purchase being made.

3. Food/Food Service Purchases

- a. Ordering - The PFC Cook staff will place weekly orders for food, dairy products, food service supplies and linens.
- b. Receiving - The PFC Assistant Cook will receive the orders of food, food service supplies, dairy and linens to be used in the nutrition program. The items delivered will be stored in the pantry or walk-in freezer.
- c. Verification of orders – Prior to any goods being stored after receiving, a PFC Administrator will verify items purchased by comparing the original invoice or packing slip with the items delivered on the Food Inventory Record Form.
- d. PFC employees and managers are not authorized to remove product from the PFC daycare sites as specified in this Policy.

PURCHASE REQUISITIONS AND RECEIPT OF GOODS

Purchase Order Requisitions

Program staff submits the completed and approved Purchase Requisition form including the vendor quote and Program Director and/or Executive Director approval. The Accounting Technician reviews to ensure proper account allocation and then provides it to the Accounts Payable Technician. The Accounts Payable Technician processes the purchase order and provides it to Executive Director for Auxiliary Services for review/approval. Once completed, the Accounts Payable Technician emails the completed purchase order to the program staff for distribution to the vendor.

Goods-Receiving Process

All goods and services delivered to the organization must be received in accordance with the following procedures:

Unit Verification of Delivery

- The designated program staff to receive the goods must verify that the delivered goods match the details on the delivery slip and/or purchase order (PO), including item description, quantity, unit of measure, and condition.
- Any discrepancies, damages, or shortages must be recorded and reported immediately to the supplier.
- Goods must be inspected promptly upon delivery for damage, defects, and compliance with specifications.
- For high-value or sensitive items, additional quality checks may be required.

Accounting Team Responsibilities

The Accounting Team plays a critical role in the procurement process by ensuring financial accuracy, compliance, and timely payment to vendors. Their responsibilities in relation to the goods-receiving process include the following:

Invoice Matching and Verification

- Perform **three-way match** verification between:
 - The purchase order (PO)
 - The goods received note or receiving report
 - The supplier invoice

- Verify that:
 - Items invoiced were ordered and received
 - Quantities and prices match the PO
 - Taxes, discounts, and shipping charges are accurately applied
 - Flag any discrepancies for resolution with the Program Director.

Payment Processing

- Ensure vendor payments are processed only after proper verification and approval of received goods and services.

Recordkeeping and Audit Support

- Maintain accurate and organized records of:
 - Purchase orders
 - Goods receipt confirmations
 - Invoices and payment confirmations
- Ensure documentation is available for internal and external audits.

Issue Resolution

- Work with the program and vendors to:
 - Resolve invoice discrepancies or payment disputes
 - Manage credit memos or adjustments
 - Upon the Program Director's request, process credits when goods are rejected or returned

IMPLEMENTATION

The Program Director is charged with the responsibility of implementing this policy statement through management guidelines.