AGRICULTURAL FOUNDATION OF CALIFORNIA STATE UNIVERSITY, FRESNO

Policy No. 4003

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
3/19/04	Approval	Approved by the Board of Directors
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9/12/25	Revision	Approved by the Board of Directors

DOCUMENT CONTROL

Approved By: Board of Directors	**Date Approved:** 9/12/25	**Next Review Date:** January 2028
Responsible Position(s) Executive Director	**Affected Units:** All units, staff, and volunteers	**Document Control Number:** Policy 4003

PURPOSE

The purpose of this policy is to provide guidelines for ensuring good sound business practices when purchasing items that support facilities and operating needs for the various enterprise units that comprise the Agricultural Foundation. The Agricultural Foundation is committed to obtaining competitive pricing, when practical, in order to ensure that fiscal resources are being procured in the most cost efficient manner.

STATEMENT OF POLICY

1. Purchases shall be made in a cost-efficient manner which supports and facilitates a competitive pricing process based upon cost, quality, service, and product availability while still meeting the operational requirements of the Ag Foundation.

2. Purchases shall follow what is customary in the marketplace for a particular commodity or product and be consummated in such a manner so as to constitute a reasonably prudent and well-documented business transaction.

3. 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.

4. Volume purchases and annual purchase agreements shall be utilized when deemed to be advantageous.

5. Purchases from Agricultural Foundation employees, California State University staff/faculty and/or auxiliary staff of items for resale are not allowed.

6. In accordance with the Agricultural Foundation's Code of Conduct, no Agricultural Foundation Board 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 Agricultural Foundation 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 Agricultural Foundation 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 Unit Manager assuming that is included in the current year budget. Such purchases shall be accomplished in a manner customary to the marketplace using sound business practices. Price quotations may be required if the Ag Foundation 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 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 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 process.
        - Purchases that are expected to exceed $100,000 in a fiscal year will require a formal bidding process.
            - If payments in a fiscal year for a given activity exceed $100,000, a formal bidding 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 Unit Enterprise Manager is required to document the verbal price quote by including the date, vendor name, contact information, and price quote and attach such documentation.

2. Feed Purchases (Hay, Grain, etc.):

Feed purchases are excluded from the formal bidding process given the speciality needs and different requirements of each unit. Feed costs will be monitored by the Farm Manager and Dean to ensure the spirit of competitive process and pricing.

3. Equipment:

   a. All equipment purchases greater than $10,000, if not included in the approved annual budget, require prior approval by the Board of Directors.

   b. The purchase of computer equipment (including hardware, software, etc.) for Agricultural Foundation operations shall be compatible with unit 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.

   c. 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.

4. Pest Control Advisor (PCA) services which includes recommendations and implementation of herbicide and pesticide requirements require a formal agreement for services that includes the speciality nature of the services provided for a specific crop(s).

Sole Source

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

- Sole source purchases with a value of $10,000 to $20,000 will require a written justification and approval by the Farm Manager and Dean.

- Sole source purchases greater than $20,000 require the additional approval by the Executive Director.

For all sole source purchases, the written justification should include:

- Description of the unique performance factors of the products

The written justification and approvals are required prior to the purchase being made.

PURCHASE REQUESTIONS AND RECEIPT OF GOODS

Purchase Order Requestions

The Unit Manager submits the completed and approved Purchase Requisition form that includes the vendor quote and Farm Manager and/or Dean approval. The Accounting Technician reviews to ensure proper account allocation and then provides to the Accounts Payable Technician. The Accounts Payable Technician processes the purchase order and provides to Executive Director for review/approval. Once completed, the Accounts Payable Technician emails the completed purchase order to the Unit Manager for distribution to 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 Unit Manager (or designated employee 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 relevant Unit manager.

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 receiving Units and vendors to:
  - Resolve invoice discrepancies or payment disputes
  - Manage credit memos or adjustments
  - Upon Unit Manager's request, process credits when goods are rejected or returned

IMPLEMENTATION

The Executive Director or his/her designee, in accordance with the applicable auxiliary corporation Management Services Agreement, has the authority to implement this policy.