

Increased Departmental Delegation

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General

Summary

Departmental delegation will increase from \$4,999.99 to \$10,000.00 starting on September 16, 2019. SPCC holders will now be able to pay for items up to and including \$10,000.00 on their SPCC. Most purchase orders will not need to be approved by Procurement Services until they are \$10,000.01 or greater.

Why are you doing this?

Level III enables us to have more autonomy over our Procurement Processes. While we still have to meet legislated requirements we have some flexibility in establishing procedures, especially small purchase procedures. Most other Level III institutions have already revised their departmental delegation to \$10,000.00 (UVA, VCU, VT).

What benefits will the university receive from it?

Having a higher limit will allow departments to move purchases through the system faster. Most items \$10k and under will not require Procurement approval. Since Procurement Services will have fewer small dollar items to attend to, the Buyers on staff will be able to direct more energy to higher dollar and more complex purchases.

Departments will also be able to pay for transactions up to \$10k on their SPCC, thereby increasing SPCC rebate revenue back to the university, saving resource time in Accounts Payable, and allowing vendors to get paid faster. In addition, since departments won't have to request as many SPCC limit lifts it will save resource time in Cash & Investments as well as with the card holder and their supervisor for approvals.

The \$10k limit will also align the departmental delegated limit to the threshold for Micro Small business purchases based on Executive Order 35; this will provide one consistent threshold for both.

What issues might there be and how will they be addressed?

Raising the limit for departments does mean that there is less oversight to these purchases. We will need to make sure that departments are continuing to utilize contract vendors and specifically Micro Small and Small businesses for a majority of their purchases. In addition, there are several items that Procurement Services has assisted in monitoring for other departments on campus and we will typically not see those items under 10k any longer.

We will address these potential problem areas with monitoring and reporting. End users may be contacted and educated on these items after the purchase. Multiple or continued issues may result in the department losing Procurement Delegation.

Finance

Small Purchase Charge Card

What is my new transactional limit?

\$10,000.00

How does this impact my monthly limit?

It doesn't, your monthly limit is the same as it was prior to this transactional increase. If your monthly limit is less than \$10,000 it will be moved to \$10,000 on September 16, 2019. If additional monthly credit limit is needed based on this change in single transaction limit, please email appa@jmu.edu to request an increase to your monthly credit limit.

When will I need to request a "lift" to my SPCC transactional limit?

You will need to request a "lift" anytime you wish to pay for something that costs more than \$10,000.00 per transaction (no order splitting).

Is how I request a "lift" to my SPCC transactional limit any different?

No, the process to request a "lift" remains the same. Contact appa@jmu.edu for the "lift" by supplying them with the total transaction amount and your approved eVA Purchase Order number, or other Procurement approval to move forward with payment. SPCC, Cash & Investment's staff will verify approval with your Supervisor in order to provide the SPCC transaction limit "lift".

Am I required to use the SPCC to pay for orders \$10,000 and under?

Yes, the SPCC is the preferred payment method for purchases \$10,000 and under. If a vendor accepts credit card the SPCC should be used for that purchase.

Receiving

Does the threshold for when a Receiving Report is required also increase?

Yes, the new threshold for completing a Receiving Report is also \$10,000.01.

Procurement Services

When will orders in eVA now flow to Procurement Services for approval?

Procurement Services will now normally receive orders for review and approval at the \$10,000.01 transaction amount. No splitting of orders is allowed to remain under this dollar amount. Other orders will still flow to Procurement Services depending on the item/commodity. Some items are restricted and flow through Procurement Services to ensure they are purchased appropriately.

In addition, Sponsored Programs will still approve orders when any line item on the order is greater than \$500.00.

My supervisor approves my eVA orders at a specific dollar amount, so do I need to change that now?

There is no need to change anything in eVA related to your individual account. However, you and your supervisor/approver should discuss if they want to change the limit at which they receive the orders for approval. If a change is desired, please complete and submit a new eVA Access Request Form, noting the new threshold for eVA order approval.

Does this mean I can order from wherever I want under \$10,000.00?

No, departments still need to follow applicable Procurement and/or University policies and procedures. Departments should always seek to utilize existing approved Term Contracts. Departments must also consider Executive Order 35 and work to purchase from *certified Micro Small* businesses when a contract is not available, or Small businesses as applicable if no Micro is available. The use of *Self-Registered* eVA vendors is also still a high priority.