

MEMORANDUM

TO: UMD College Park Foundation Disbursement Users

FROM: Sandra C Gray, Assistant Director for Financial Management

DATE: March 20, 2004

SUBJECT: New Procurement Policy

The University of Maryland College Park Foundation (UMCPF) received an internal audit recommendation that a procurement policy be implemented. A policy was drafted by UMCPF, circulated to several colleagues on campus for comment, and finally presented to the Board of Trustees for review. It is expected that the Board will approve this policy at the June 2004 meeting.

This policy, once approved, will be instituted as of July 1, 2004. Listed below is a summary of the policy.

- Purchases under \$2,500 will not require a purchase order; however, competitive bids are encouraged.
- Purchases \$2,500 and over but less than \$25,000 will require competition from at least three vendors be sought on an informal basis and a purchase order be issued from College Park Foundation.
- Services \$10,000 and over must have a written contract that has been reviewed and approved by the Chief Financial Officer of the University of Maryland College Park Foundation before work commences. The Chief Financial Officer must sign the contract for orders \$10,000 and over.
- For purchases \$25,000 and over a formal competition will be necessary. The proposed competitive process must be reviewed and approved by the University of Maryland College Park Foundation before it begins. The use of the University Policies on Procurement as a guide where practical is strongly encouraged. The UMCPF will issue a purchase order when the vendor is selected.
- Encumbrances for the purchase orders will not appear on the account reports until a later date.

I have attached a copy of the complete policy submitted to the Board.