# Procurement Standard Operating Procedures Manual

**Procurement, Contract Services, and Corporate Card Program**
**Austin Peay State University**
**Last Updated: August 3, 2026**
**Based on:** APSU Procurement Manual (2023), Corporate Card Manual (2025), & Govs Suite Training

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# 1. Quick Reference Guides

## 1.1 Authorization Thresholds Matrix

*Use this table to determine the required workflow based on <u>total spend</u>. Certain purchases may be restricted by other policies and procedures.*

| Total Dollar Amount * | Purchase Type | PO Required? | Process Requirement ** |
|---|---|---|---|
| **$0.00 – $4,999.99** | Corporate Card | **No** | Direct Payment |
| **$0.00 – $9,999.99** | Payment Authorization | **No** | Direct payment |
| **$10,000.00 – $49,999.99** | Small Purchase (State Funds) | **Yes** | 3 quotes recommended; Dept to process in Govs Suite. |
| **$0.00 – $14,999.99** | **Federal Grant Micro-Purchase** | **No** | No quotes required (if price is reasonable) |
| **$15,000+** | **Federal Grant Solicitation** | **Yes** | Solicitation required unless approved as a sole source |
| **$50,000 – $99,999.99** *** | Informal Solicitation | **Yes** | Procurement Office – sealed bid (ITB) solicits 3+ quotes, or department solicits 3+ quotes (RFQ) |
| **$100,000+** | Formal Solicitation | **Yes** | Sealed Bid (ITB) or Proposal (RFP) required. |

⚠️ **Critical Note:** Do not artificially divide or "split" purchases to fall under a lower threshold. Recurring purchases that aggregate to a higher tier must follow the higher tier's rules.

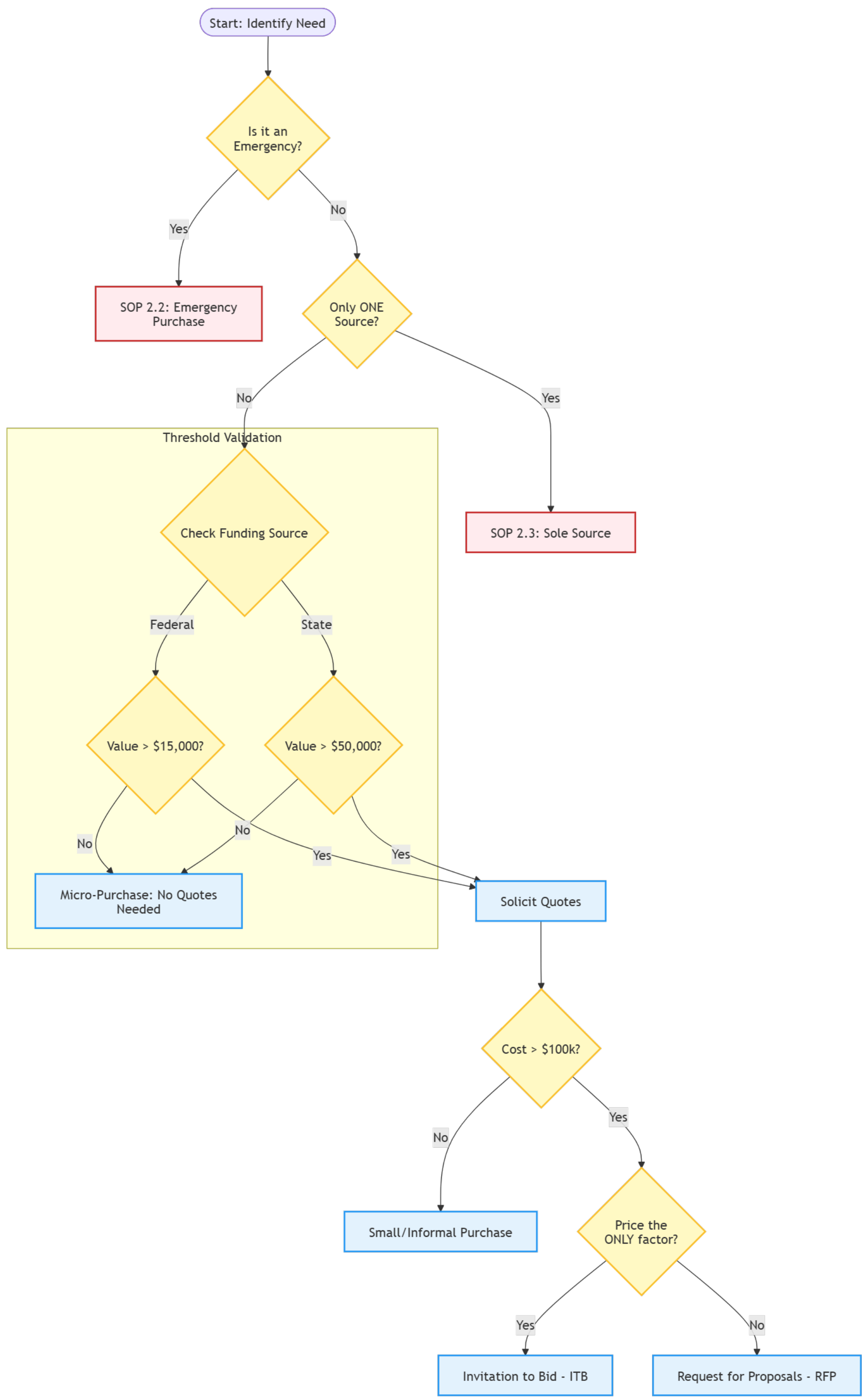
***Note:** Refer to APSU Policy 4:002, *Delegation of Authority for Approval and Execution of Contracts and Purchase Orders*, for applicable procurement thresholds and designated contract approval authorities.

** **Note:** Services, software, and any other items with terms and conditions must go through the contract process no matter the amount of dollar value.

*****Note:** The bid threshold is based on either a one-time expenditure of $50,000 or a total purchase value of $50,000 or more.

## 1.2 Procurement Decision Tree

*Follow this flow to select the correct solicitation type.*



## 2. Ethics & Compliance

**Applicability:** All University faculty and staff.
**Core Principles:**

- **Impartiality:** No family members or financial interests in suppliers.
- **No Gifts:** Acceptance of gifts is strictly prohibited.
- **Contemporaneous Employment:** It shall be a breach of ethical standards for any employee who is involved in procurement to become or be an employee of any party contracting with the university.
- **Conflict of Interest:** Any appearance of favoritism is prohibited. If you have a potential conflict, you must disclose it based upon the criteria identified in Institution policy 1:001.

**Protests:**

- Aggrieved respondents have **7 days** after Notice of Intent to Award to file a protest.
- Must include a **Protest Bond** (5% of bid value).

## 3. Standard Operating Procedures (Procurement)

### SOP 3.1: The Competitive Solicitation Process (ITB & RFP)

**Owner:** Procurement Office / Solicitation Coordinator
**Trigger:** Requirement exceeds $50,000 (Informal) or $100,000 (Formal).
**Stage 1: Planning & Drafting**

1. **Benchmarking:** Coordinator runs spend volume reports in **Govs Suite** and compares prices with other state contracts or cooperatives lead by a Lead Public Agency (LPA).
2. **Scope of Work (SOW):** Define functional specifications.
    a. *Visual Aid:* Use "Performance Specs" (what it does) rather than "Design Specs" (how it is built) whenever possible.
    b. *Brand Names:* If using a brand name, you must add "or equal".
3. **Event Creation:** Enter request in **GovsTech**; attach Terms and Conditions and specifications.

**Stage 2: The Solicitation Event**

1. **Pre-Response Conference:** Conduct meeting with prospective vendors to clarify scope (optional but recommended).
2. **Q&A:** Distribute all questions and answers in writing to all known respondents.

3. **Open File Period:** All facts documented in the file are deemed known to respondents.

**Stage 3: Evaluation**

- **For ITB (Bids):** Award to the lowest responsive and responsible bidder. Multiple awards can be made if noted in the bid.
- **For RFP (Proposals):**
    - **Committee Setup:** Minimum 3 state employees. *No conflicts of interest allowed*.
    - **Qualification & Technical Scoring:** Score technical proposals *independently* from cost.
    - **Cost Scoring:** Open cost proposals only after technical evaluation is complete.

## SOP 3.2: Emergency Purchases

**Definition:** A serious, unexpected situation posing immediate risk to health, life, property, or environment.

**Prohibited Reasons:** Poor planning or expiration of funds.

**Process Flow:**

1. **Immediate Action:** Department enters a requisition (Direct Entry Purchase) in **Govs Suite**.
2. **Justification:** Document the circumstance (e.g., flood, system failure) in **Govs Suite**.
3. **Authorization:** Contact Director of Procurement for approval.
4. **Sourcing:** Procurement Office attempts to get 3 quotes if time permits.
5. **Documentation:** File must list the emergency circumstances and total price.

## SOP 3.3: Sole Source Procurement

**Definition:** Only one vendor possesses the unique capability to meet requirements.

**Required Justification Criteria (Must meet at least one):**

- [ ] Proprietary rights (Patents/Copyrights).
- [ ] Compatibility with existing equipment is essential.
- [ ] Continuity of results depends on this specific good/service.
- [ ] Vendor has exclusive capabilities not obtainable elsewhere.

**Workflow:**

1. **Draft Justification:** Department completes "Justification for Non-Competitive Purchases" template.

2. **Vendor Letter:** Obtain signed letter from vendor confirming exclusive rights.
3. **Review:** Submit to Director of Procurement for approval.
4. **Reporting:** Approved sole sources are reported quarterly to Fiscal Review.

⚠️ **Critical Note:** Noncompetitive contracts exceeding $250,000 in total value and having a term greater than one year must be submitted to the Fiscal Review Committee for review and comment prior to execution.

### SOP 3.4: Receiving & Inspection

**Owner:** Receiving Department / Agent
**Trigger:** Delivery of Goods
**The Receiving Checklist:**

1. **Verify Paperwork:** Match Freight Bill, PO, and Carton Count.
2. **Visual Inspection:** Look for external damage *before* signing.
    a. *If damaged:* Write "DAMAGED" on the freight bill.
    b. *If unsure:* Sign with notation "SUBJECT TO FURTHER INSPECTION".
3. **Contents Check:** Open and count immediately.
    a. *Overage/Shortage:* Note on packing slip and report to Procurement Office.
    b. *Incorrect Items:* Refuse the item and arrange return at vendor's cost.
4. **System Entry:** Enter receipt in **Govs Suite** to authorize payment.

🚫 **Freight Rules:** Never sign a "Collect" bill if the PO says "Prepaid." Make the driver change it.

### SOP 3.5: Entering Requisitions in Govs Suite

**Owner:** Requisitioning Department
**Trigger:** Department identifies a need for goods or services requiring a Purchase Order.
**Stage 1: Access & Setup**

1. **Login:** Access Govs Suite via OneStop utilizing your Single Sign-On (SSO).
2. **Navigation:** Click the Navigator menu, select "Procurement," and then click "Purchase Requisitions".
3. **Preferences:** Prior to entering a requisition, you must select the appropriate Business Unit (BU) in the Preferences menu. The BU must match the FOAP you are using, or the requisition will fail.

**Stage 2: Building the Requisition**

1. **Smartforms:** All requisitions, except for Punchouts, utilize a specific Smartform. It is critical to select the correct form (e.g., Noncatalog, Contract Request, Payment

Authorization, or Business Meal) because each form is configured with custom fields required for that specific process.

2. **Item Details:** Enter a specific item description, which will be sent to the supplier. Include the supplier's catalog number if known, along with the quantity and price.
3. **Supplier Selection:** Select the supplier and the correct supplier site. Verify that you are selecting the "Order" site.
4. **Attachments:** Attach necessary files. Use the category "To Supplier" for quotes/agreements sending externally, and "To Approver" for internal-only documentation.
5. **Punchouts (B2B Ordering):** For suppliers like Staples or Dell, utilize the "Punchout" catalog. This integrates directly with the supplier's website to feed pricing and descriptions back to your requisition. Orders and invoices for these suppliers are transmitted electronically, improving processing time and accuracy
6. **Add to Cart:** Click "Add to Cart" to proceed.

**Stage 3: Cart Checkout & FOAP Allocation**

1. **Summarize:** In the Cart, add a Description and Justification to keep records organized.
2. **Standard FOAP Entry:** Enter your account string in the "Charge account" field. All segments must include dashes and numbers, including zeros.
3. **Splitting FOAPs:** If splitting costs across multiple accounts, it must be done at the line level.
   a. Click the delivery truck icon on the item line.
   b. Scroll down to the Billing section, click the 3 dots, and select "Split".
   c. Adjust the quantity or percentage fields to divide the line.
4. **Grants:** If using a Grant FOAP, enter the Project Number to populate additional required grant fields.

**Stage 4: Verification & Submission**

1. **Funds Check:** Select "Check Funds" from the Actions menu to verify budget availability. If the requisition fails, click "View details" to identify which budget account has insufficient funds.
2. **Submit:** Once budgetary issues are resolved, click "Submit" to route the requisition for approval.
3. **Buyer Routing Categories:** Requisitions are routed based on category. Standard noncatalog and punchout orders automatically route to a generic APSU Buyer account and convert to a Purchase Order without staff intervention. Specialized requests, such as Contracts or Payment Authorizations, are routed to specific buyers in the Procurement or AP office for manual review and processing.

## SOP 3.6: Receiving & Creating Receipts in Govs Suite

**Owner:** Requester / Receiving Department
**Trigger:** Goods have been delivered or services rendered against an active Purchase Order.
**Stage 1: Locating Orders to Receive**

1. **Navigation:** Open the Procurement module and select the "My Receipts" or "Orders to Receive" page.
2. **Filtering:** Note the Business Unit dropdown at the top of the page; you must toggle between University or Foundation depending on the Purchase Order.
3. **Searching:** To easily locate your items, click the search filter and search by "Requester [Your Name]". All available PO lines will appear as individual cards. You can also narrow down the search by adding the Supplier name in the field.

**Stage 2: Executing the Receipt**

1. **The 3-Way Match & Invoice Holds:** Govs Suite relies on a strict 3-way match condition: the Purchase Order, the Receipt, and the Invoice must all match. If accounts payable enters an invoice for your PO and you have not yet created a receipt, the invoice will be placed on a "Matching Hold" and you will receive a notification email.
2. **Initiate:** Click the receipt icon located in the bottom right corner of the specific item card to open the receiving details.
3. **Quantity:** Enter the actual amount received in the "Receipt Quantity" field.
   a. *Partial Receipts:* If the shipment is incomplete, simply update the quantity to reflect exactly what arrived (e.g., update from 6 to 1).
4. **Documentation:** Add relevant documentation, such as packing slips, to the attachments.

⚠️ **Critical Note:** Attaching an invoice here does not route it for payment. Invoices must still be emailed directly to Accounts Payable.
**Stage 3: Updating or Reversing Receipts**
*If a receipt was created in error or with an incorrect quantity, it must be updated.*

1. **Locate:** Navigate to the "My Receipts" tab at the bottom of the receiving module to view all created receipts.
2. **Edit:** Click the card of the receipt you wish to modify.
3. **Revise:** Click the pencil icon next to the received quantity. Selecting "Receive with Details" will open a sidebar allowing you to specify a revised quantity.
4. **Zero-Out:** To reverse a receipt made in error, change the revised quantity to "0" and click Update.

## SOP 3.7: Contract Amendments & Change Orders

**Owner:** Requisitioning Department / Procurement Office

**Trigger:** A necessity to modify the scope, cost, terms, or duration of an existing Purchase Order or Contract.

### Stage 1: Purchase Order Change Orders

*Change Orders are utilized to adjust active Purchase Orders in Govs Suite, ensuring accurate financial encumbrances and vendor terms.*

1. **System Triggers:** In Govs Suite, *any* adjustment made to a Purchase Order after it has entered the workflow is treated as a Change Order, including simply adding an attachment. Change orders have their own separate approval workflow and may require re-approval.
2. **Shortages & Cancellations:** If a shipment shortage occurs, the department representative must follow up with the vendor to resolve the shortage and/or cancel the outstanding balance for that specific item by submitting a change order in Govs Tech.
3. **Price Changes:** Any increase or decrease in the unit price, shipping fees, or overall cost of an item must be formally documented and approved through a Change Order in GovsTech. The Purchase Order must be updated to reflect the new accurate pricing prior to the invoice being processed for payment.
4. **Item Substitutions:** An amendment or change order to a Purchase Order is not required to accept a substituted item, provided the substitute's cost does not exceed the cost of the originally ordered item. Delivered substitute items that do not meet the scope or specifications may be returned at the contractor's expense.
5. **Governing Terms:** The terms and conditions of a duly authorized change order, alongside the original purchase order, shall be the sole terms and conditions that apply to the purchase. Any subsequent terms set forth by the vendor on an invoice will not apply unless expressly agreed to in writing.

### Stage 2: Contract Amendments & Renewals

*Formal contracts require strict adherence to the original approval routing when being modified.*

1. **Standard Approvals:** Contract amendments and renewals must follow the exact same approval process as that of the original, base contract.

2. **Prohibited Modifications:** A current contract can only be modified, amended, or supplemented under its specific terms or through a written amendment. No employee has the actual or apparent authority to modify, amend, or supplement a current contract through a Click-wrap Agreement ("I Agree" button).
3. **Cancellations:** The termination of a contract for any reason must be approved by the Director of Procurement and filed with the Contract Office.

**Stage 3: High-Value Amendment Thresholds (Fiscal Review)**

*Certain substantive changes to high-value contracts mandate review by the Fiscal Review Committee of the General Assembly.* An amendment requires Fiscal Review if it modifies a non-competitive contract (or a competitively procured contract that meets the threshold) with a term greater than one year and a cumulative value of $250,000 or more, AND the amendment does any of the following:

- Increases or decreases funding.
- Extends or shortens the contract term.
- Changes the entity or name of the entity with which the State is contracting.
- Otherwise changes the original or amended contract in a substantive manner.

The Fiscal Review Committee's review process requires at least 60 Calendar Days' lead-time to prepare the documents and submit them for review. **PACS requires at least 90 days lead-time to assure Fiscal Review requirements are met for their review process.** Procurement Services and Contract Services will, with the assistance of the requesting department, prepare and submit information as needed for Fiscal Review Committee presentation.

# 4. Corporate Card Procedures - Summarized

## SOP 4.1: Card Set-up & Usage

**Owner:** Procurement Services / Program Administrator
**Trigger:** Low-dollar purchases (typically <$4,999) where a PO is not required.
**Quick Reference: Card Limits & Rules**

| Parameter | Rule |
|---|---|
| **Single Transaction Limit** | **$4,999.99** (Do not split orders to stay under this). |
| **Eligibility** | Full-time faculty/staff (Students/Non-employees ineligible). |
| **Tax Status** | **Tax Exempt.** You must provide the tax-exempt number to vendors. |

| | |
|---|---|
| **Reconciliation Deadline** | Expense Reports and Receipts must be submitted within **10 business days** of posting to **Govs Suite**. |

**Purchasing Workflow**

**Step 1: Preparation**

- Ensure the purchase is **Allowable** (see SOP 4.2 below).
- **Software/Hardware Check:** If buying software or hardware, you must first complete the "Software/Hardware Purchase and Renewal Form" and get approval *before* the swipe.

**Step 2: The Transaction**

- **In-Store:** Verify the vendor accepts the card and **removes sales tax**.
- **Online:** Use only secure sites (`https://`). Enter the billing address correctly.
- **Shipping:** You **MUST** use the central receiving address.

**Ship To:**

Austin Peay State University
Attn: [Your Name/Dept]
681 Summer Street
Clarksville, TN 37040

## SOP 4.2: Allowable vs. Restricted List

*Use this decision matrix before making a purchase.*

| ✅ ALLOWED (Green Light) | ❌ PROHIBITED (Red Light) | ⚠️ RESTRICTED (Yellow Light) |
|---|---|---|
| Registration Fees | **Alcoholic Beverages** | **Entertainment Tickets** (Needs documented business purpose) |
| Subscriptions/Memberships | **Cash Advances** | **Software/SaaS** (Requires prior IT, Accessibility, and Legal/Contracts approval form) |
| Office/Lab Supplies | **Gift Cards** | **Furniture** (Requires additional approval) |
| Postage/Shipping | **Personal Purchases** | **Contracted Items** (Don't buy off-contract if a University contract exists) |
| Advertising Services | **Split Orders** (Dividing costs to avoid limits) | |

| | | |
|---|---|---|
| Books (Ann Ross Bookstore) | **Gasoline** (Use Fleet Cards when possible but allowable on the Corporate-Card) | |

## SOP 4.3: Corporate Card Reconciliation & Violations

**Owner:** Procurement Services / Program Administrator
**Trigger:** Corporate card transactions post to Govs Suite.
**Stage 1: Accessing the Expense Module**

1. **Daily Transaction Load**: When you swipe your corporate card, the transaction is authorized and posted in US Bank. US Bank sends a daily file to Govs Suite, which creates the "Expense Item" on your dashboard.
2. **Expense Report Manifest:** To assist with the 10-day reconciliation rule, Govs Suite is configured to send daily automated email reminders for any credit card expense items that have not yet been added to an expense report.
3. **Login:** Access Govs Suite from OneStop utilizing your Single Sign-On (SSO) credentials.
4. **Navigation:** Open the Navigator menu, navigate to the "Me" section, and select "My Expenses".
5. **Dashboard Overview:** Your recent and submitted reports will appear at the top of the page. New, unreconciled credit card transactions will automatically load at the bottom of the page under "Available Expense Items".

**Stage 2: Reconciling Non-Travel Purchases**

1. **Initiate Report:** Check the box next to the transaction lines you want to address and click the "Create Report" button.
2. **Naming:** Enter a clear, descriptive name in the "Purpose" field (e.g., "January Office Supply Purchase").
3. **Attachments:** You must attach an itemized receipt to each individual transaction line.
4. **FOAP Allocation:** Click the blue date link on the transaction to open the details and adjust the FOAP if necessary. Use the magnifying glass in the Account field to search and select your account string.
    a. *Note: You cannot mix University and Foundation Funds on the same report.*
5. **Grant Funding:** If the expense is funded by a grant, you must enter the Project Number in the designated field.
6. **Payment Method Selection:** *

    a. For **University Funds**, select "Electronic" from the Payment Method dropdown.
    b. For **Foundation Funds**, select "F-EXPENSE ELECTRONIC".
7. **Submit:** Check the box affirming you have read and accept the corporate travel and expense policies, then click Submit. Your report will enter "Pending Approval" status.

**Stage 3: Reconciling Travel Purchases**

*All credit card purchases default to the "Non-travel" template. If a card charge is travel-related (e.g., a hotel stay), follow these steps to properly classify it:*

1. **Add to a Travel Report:** If you already have an unsubmitted travel report started (e.g., for mileage or per diem), open it and click "Add Existing" to bring your pending credit card charges into the travel report. Select the relevant transactions and click OK.
2. **Adjust Template:** Click the date link of the newly added card expense. Change the "Template" to match your specific travel profile (e.g., "In-State Travel – Individual").
3. **Adjust Expense Type:** Change the expense "Type" to accurately reflect the purchase (e.g., "Lodging Taxes"). The account code will automatically update based on the expense type selected.
4. **Required Documentation:** Attach your itemized receipts. Additionally, you must attach your approved **Travel Authorization** to the expense item by clicking the "+" icon next to Authorization.
5. **Finalize:** Click "Save and Close" on the item, select your Payment Method, accept the policies, and submit the report for approval.

Note: Travel and Non-Travel must be submitted on separate reports.

**Stage 4: Review and Audit**

1. **The Audit Step:** After your Approver signs off on your expense report, it moves to the "Auditor" step. Here, Procurement and Accounts Payable review the report to confirm corporate card usage, verify the attached receipts, and check the FOAP. If an auditor rejects or requests more info, the report is pushed back to the employee, delaying the ledger posting and putting the user at risk for a card suspension.

**Stage 5: Violations & Consequences Matrix**

*Procurement Services monitors all transactions. Failure to reconcile within 10 days or violating purchasing policies will result in the following escalations:*

| Offense Count | Consequence | Reinstatement Requirement |
| --- | --- | --- |
| **1st Offense** | Written Warning to Cardholder & Approver. | Acknowledgement of policy. |
| **2nd Offense** | **Card Limit Reduced to $1.00.** | Mandatory Re-training for Cardholder & Approver. |
| **3rd Offense** | **Revocation of Privileges.** | VP of Finance approval required for new card. |

⛔ **Fraudulent Use:** Intentional personal use or sharing the card results in **immediate suspension**, referral to HR/Internal Audit, and potential termination or criminal charges.

## 5. Contract Approvals Matrix

*Who must sign before a contract is valid?*

| Contract Type | Required Signatories |
| --- | --- |
| **Standard Contract** | 1. Vendor<br><br>2. Procurement Officer/Designee<br><br>3. President/Designee per APSU Policy 4:002. |
| **IT Contracts** | All above + **Information Technology (IT), Accessibility Administrator, and Legal/Contracts** |
| **Engineering/Architecture** | All above + **State Architect** |
| **Non-Competitive >$250k (1yr+)** | All above + **Fiscal Review Committee** |

⚠️ **Click-Wrap Warning:** Employees **cannot** click "I Agree" on software terms (Click-wrap) without OIT and Procurement approval. These are treated as written contracts.

**Govs Suite Contract Routing Procedure**

Because the Govs Suite Contracts Module does not encumber funds or support distribution accounts (FOAP), APSU processes contracts through the standard Requisition/PO workflow.

1. **Initiation:** Department enters a Contract Request Smartform requisition.
2. **Approval Routing:** Requisition goes through standard departmental approvals.
3. **Draft PO Phase:** The designated Contract Buyer takes the approved requisition lines and creates a draft Purchase Order (Status: Incomplete). During this phase, necessary vendor forms and external contract signatures are obtained.
4. **Execution:** Once the contract is fully executed, it is attached to the Purchase Order, and the PO is submitted for final system approval and communication to the supplier.