

## **UNIVERSITY OF MASSACHUSETTS PROCUREMENT POLICY**

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### **I. INTRODUCTION**

This Procurement Policy (Policy) governs the procurement of all Goods and Services by the University. In accordance with the provisions of Section 3 of Chapter 75 of the General Laws, as amended, all procurements by the University irrespective of the method of procurement or source of funds, shall be governed by this Policy subject to subsequent amendment, revision, or repeal, by the Board of Trustees.

This Policy does not supersede any of the provisions of the Senior Vice President for Administration & Finance and Treasurer's Delegations, Doc. T97-014. All University employees must follow Doc. T08-028, the Policy on Codes of Conduct for University/Vendor Relationships.

All persons responsible for procuring Goods and Services governed by this Policy shall confer with the Office of the General Counsel as advisable in order to assure compliance with this Policy.

### **II. THE STANDARDS**

The President shall issue Administrative Standards for the Procurement Policy (Doc. T92-031) (Standards). The Senior Vice President for Administration & Finance and Treasurer shall recommend such Standards for the President's action. Capitalized terms used herein, if not otherwise defined in this Policy, shall be defined as set forth in the Standards. The Senior Vice President for Administration & Finance and Treasurer shall confer on a regular basis with the CPO, the Vice Chancellors of Finance and Administration and the General Counsel to determine whether revisions to the Standards are appropriate to comply with University policies or law, and to assure that the University is using best practices to procure its Goods and Services.

### **III. POLICY STATEMENT**

#### **A. Shared Services Procurement:**

There shall be within the President's Office a unified procurement organization, the Unified Procurement Services Team (UPST), which shall be responsible for, inter alia, the management of the procurement of Goods and Services and other related administrative functions as required by the Campuses and the University President's Office. UPST will be led by a Chief Procurement Officer (CPO).

## **B. Competitive Procurement Practices:**

The University shall procure all Goods and Services covered by this Policy at the best overall value to the University, consistent with the necessary specifications, quantities, quality, durability, availability, serviceability, and other factors affecting the use of the Good or Service by the University. In complying with this Policy, the cost of acquisition, as well as other factors (such as the delivery time required, supplier diversity, and prior performance) may be considered. All procurements must: (1) have prior approval of the CPO or the CPO's designee; and (2) must follow applicable delegation and signatory authority in accordance with this Policy and the associated Standards.

To encourage open and fair competition, advertisement for, and receipt of, competitive bids shall be used whenever practicable, or when required by law. The University's commitment to the principles of Affirmative Action shall be applied to procurements with the objective of: (1) achieving and fostering greater participation in University procurement activity by minority-owned small business, small disadvantaged business, women-owned small business, HUBZone small business, Veteran-owned small business, and service-disabled Veteran-owned small business enterprises; and (2) encouraging socially or economically disadvantaged business owners to respond to invitations to bid on University business.

## **C. Delegations of Authority:**

1. **To the President**, with authority to re-delegate to the Senior Vice President for Administration & Finance and Treasurer, or any member of the President's Office as the President may determine:
  - a. Authority to require the campuses to utilize a system-wide or multi-campus procurement or existing contract for any purchase covered by this Policy. A Chancellor who believes such procurement would not be in the best interest of his/her Campus shall be entitled to request not to participate in such procurement, but the President shall make the final decision.
2. **To the President**, for President's Office, multi-campus or system-wide procurements, and Campus-specific procurements with prior approval of the Campus, with authority to re-delegate to the Senior Vice President for Administration & Finance and Treasurer, and/or such other designees as the President shall determine:
  - a. Authority to enter into and execute Purchase Agreements for Goods not otherwise delegated pursuant to Article III (C)(2)(c-d).
  - b. Authority to enter into and execute Purchase Agreements for Services not otherwise delegated pursuant to Article III (C)(2)(c-d).
  - c. Authority to enter into and execute Purchase Agreements for labor and materials for repair or construction, including design services, of real property used by the President's Office subject to any applicable requirements under M.G.L. ch.7C, M.G.L. ch.30, or M.G.L. ch.149.

- d. Authority to enter into and execute Purchase Agreements, leases or licenses of any items, including but not limited to, equipment, vehicles, information technology hardware/software, and/or library materials including electronic journals. Procurement of information technology, hardware/software, or peripherals must comply with the Information Technology Acquisition Policy, Doc. T08-086.
  - e. Authority to enter into and execute Real Property Agreements relating to the use of Real Property by the President's Office. All agreements for the use and disposition of Real Property must be in compliance with the University's Capital Planning, Land and Facilities Use Policy, Doc. T93-122 and with the Treasurer's Delegations, Doc. T97-014.
3. **To the Chancellors**, for Campus procurements with authority to re-delegate to such University Personnel as the Chancellor may determine:
- a. Authority to enter into and execute Purchase Agreements for Goods not otherwise delegated pursuant to Article III (C)(3)(c-d).
  - b. Authority to enter into and execute Purchase Agreements for Services not otherwise delegated pursuant to Article III (C)(3)(c-d).
  - c. Authority to enter into and execute Purchase Agreements for labor and materials for repair or construction, including design services, of real property used by the Campus subject to any applicable requirements under M.G.L. ch.7C, M.G.L. ch.30, or M.G.L. ch.149.
  - d. Authority to enter into and execute Purchase Agreements, leases or licenses of any items, including but not limited to, equipment, vehicles, information technology hardware/software, and/or library materials including electronic journals. Procurement of information technology, hardware/software, or peripherals must comply with the Information Technology Acquisition Policy, Doc. T08-086.
  - e. Authority to enter into and execute Real Property Agreements relating to the use of Real Property by the Campus. All agreements for the use and disposition of Real Property must be in compliance with the University's Capital Planning, Land and Facilities Use Policy, Doc. T93-122 and with the Treasurer's Delegations, Doc. T97-014.

All sub-delegations of authority pursuant to this Policy shall be made in writing and forwarded to the office of the Senior Vice President for Administration & Finance and Treasurer and to the General Counsel.

4. **To the General Counsel**, with authority to re-delegate to an attorney in the Office of the General Counsel as the General Counsel may determine, authority to enter into Legal Services agreements and agreements for any other services performed by external lawyers or law firms. Any retention or hiring of lawyers or law firms external to the University providing any legal or other advice or services to the University (and any of its University related entities and affiliates), must be directed to and coordinated with the University's Office of General Counsel. Any such lawyer and/or law firms shall be retained by, and work under the continuing supervision of the General Counsel pursuant to the Office of General Counsel's standard operating procedures.

**D. Legal Review:**

1. The General Counsel, or an attorney in the Office of the General Counsel as the General Counsel may determine, shall review and determine legal acceptability of the following Purchase Agreements (including, but not limited to, multi-campus or system-wide procurements, entered into by the President's Office or the Campuses) prior to execution as set forth in this Policy and the Standards. Review by the Office of the General Counsel under this Policy and the Standards is in addition to any other internal approvals that may be required under other University policies.
  - a. Purchase Agreements with a Cost of \$100,000 or more.
  - b. Regardless of Cost:
    - i. Real Property Agreements.
    - ii. Lobbying Services Agreements.
    - iii. Purchase Agreements and/or amendments thereto which contain language that conflicts with, modifies, deletes, adds to, or otherwise alters the University's standard Purchase Agreement terms and conditions.
2. The responsible procurement or contracting official for UPST shall confer with the General Counsel when advisable to assure compliance with this Policy.

**UNIVERSITY OF MASSACHUSETTS**  
**ADMINISTRATIVE STANDARDS FOR THE PROCUREMENT POLICY (“Standards”)**  
**(Doc. T92-031, Appendix A)**  
***(as of January 29, 2024)***

**I. INTRODUCTION**

**A. Applicability**

These Standards set forth the processes and procedural rules that apply to all procurements governed by the University of Massachusetts Procurement Policy Doc. T92-031, as amended (“Policy”). All University employees, consultants, independent contractors, and agents responsible for procuring Goods and/or Services, expending funds for Goods and/or Services, or interacting with Contractors related to a procurement or other transaction governed by these Standards and the Policy (collectively “University Personnel”) shall act in accordance with the process and procedures set forth herein as well as the purpose and intent of the Policy and the Standards regardless of the source of funds or payment mechanism. Any action taken by University Personnel to circumvent any control set forth in the Policy or these Standards based on a technicality is a violation of the Policy and/or these Standards, as applicable.

**B. Definitions**

1. “Bank Card” shall mean the University authorized commercial credit card used as a payment method for those vendors that do not accept a Purchase Order, a mechanism for emergency purchases, and a payment method in lieu of employee Travel reimbursement. Bank Card use must comply with the UMass Bank Card Use Standard.
2. “Campus” shall mean any of the individual campuses of the University of Massachusetts, maintained at: Amherst, Boston, Dartmouth, Lowell, and Worcester and the University of Massachusetts President’s Office.
3. “Competitive Procurement” shall mean the acquisition of Goods and/or Services through fair and open competition where multiple Contractors have been considered and evaluated prior to selection and purchase.
4. “Commodity Approver” shall mean the person designated by the Campus with managerial responsibility over the risk related aspects of particular Goods and/or Services as set forth in Table 2.
5. “Contractor” shall mean an individual, company, or other entity engaged to provide Goods or perform Services for or on behalf of the University under a Purchase Agreement, other than in an employment status, and minimally supervised by University Personnel. Contractors must meet the requirements for independent contractors under state and federal law, including M.G.L. c.149, section 148B. “Contractor” may be interchangeably referred to herein or in the University’s BuyWays system as “Supplier”. Questions or guidance concerning independent contractor status shall be directed to Campus Chief Human Resources Officer.

6. “Department” shall mean a functional unit within the University seeking to procure Goods and/or Services under the Policy and these Standards.
7. “Expenditure Authority” shall mean the power to approve the expenditure of funds necessary as a prerequisite to exercise of Signature Authority, consistent with Delegations of Authority as authorized by the Board of Trustees in the Policy.
8. “Goods” shall mean products, material, commodities, leases (including equipment, vehicles, or other tangible personal property) and licenses (including software, information, or electronic journals). The terms “Goods” or “Services” may be used individually or together written as “Goods and/or Services”.
9. “Legal Services” shall mean attorneys or law firms retained to provide legal advice, representation or other services for the University, a Campus, or University employees in matters relating to their official duties. Any attorney or law firm retained by the University on a permanent, temporary, or consultant basis shall be approved and retained by, and subject to the continuing supervision of, the General Counsel of the University, pursuant to the vote of the Board of Trustees, May 1, 1974.
10. “Lobbying Services” shall mean the engagement of individuals or entities to act on behalf of the University or a Campus to promote, oppose, influence, or attempt to influence the decision making of any officer or employee of a state or federal executive branch, agency or authority, or to promote, oppose, influence or attempt to influence the introduction, sponsorship, consideration, action or non-action with respect to any state or federal legislation.
11. “Price” or “Cost” shall mean the value or estimated value of the monies to be paid or expended related to the acquisition of Goods and/or Services over the term of the Purchase Agreement, including any renewals or extensions thereof, and may include either solely the Price of the actual Goods and/or Services, or for comparison purposes, the total Cost of acquisition and ownership, whichever is the most prudent.
12. “Purchase Agreement” shall mean, without limitation, any written or electronic legally-binding set of terms and conditions whether signed by hand, electronically, or “click to accept” by a duly authorized university official as per Delegations of Authority as authorized by the Board of Trustees in the Policy, between the University and an external individual or entity for the provision of Goods and/or Services, where value is exchanged. This includes, without limitation, the University’s Contract for Services, master agreements, master services agreements, agreements, contracts, memorandums of agreement/understanding, letters of intent, amendments, sub-contracts, proof of concept agreements, trial agreements, or any other written or electronic legally-binding set of terms and conditions between the University and an external individual or entity.
13. “Purchase Order” shall mean a purchase order issued from the University of Massachusetts system of record (“BuyWays”) which has attached to it the University’s then-current standard purchase order terms and conditions, or any other approved business unit specific Purchase Order.

14. “Real Property” shall include, but may not be limited to land, buildings, air rights, water rights and mineral rights owned by the University and is the property of the Commonwealth of Massachusetts which has been entrusted to the University for stewardship. All procurement transactions related to Real Property must comply with the Capital Planning, Land and Facilities Use Policy ([T93-122](#), as amended).
15. “Real Property Agreement” shall mean any written or electronic legally-binding set of terms and conditions whether signed by hand or electronically, between the University and an external individual or entity pertaining to Real Property. All procurement transactions related to Real Property must comply with the Capital Planning, Land and Facilities Use Policy ([T93-122](#), as amended).
16. “RFX(s)” shall mean invitations to bid including but not limited to, requests for proposals, requests for quotes, requests for information and/or any other type of solicitation of goods or services as approved by the CPO.
17. “Services” shall mean duties, work, or activities performed by an individual, company, or entity for the University under a written Purchase Agreement or performed by the University for a third party pursuant to a Purchase Agreement. Legal Services, as defined herein, are expressly excluded from the definition of “Services”. The terms “Goods” or “Services” may be used individually or together written as “Goods and/or Services”.
18. “Signature Authority” shall mean the power to enter into and execute (whether by hand, electronic, or “click to accept”) a Purchase Agreement on behalf of the University (including a Department). Signature Authority is granted under the Treasurer’s Delegations, as defined by [T97-014](#) and the Policy.
19. “Specifications” shall mean the quantity, quality, durability, availability, serviceability, and other factors affecting suitability of Goods and/or Services, or Contractor as well as contractual terms and conditions required by the requesting Department or the University.

## **II. PROCURMENT ADMINISTRATION**

### **A. Unified Procurement Services Team**

1. The Unified Procurement Services Team (“UPST”) is established and under the direction of the Chief Procurement Officer and is responsible for the implementation of the Standards applicable to the University’s campuses and the President’s Office and shall manage and conduct purchasing activity as set forth herein.
2. All decisions made by the Department with respect to Goods and/or Services, Contractor selection, and acceptance of risk shall be in accordance with the Policy and these Standards as well as the other applicable University policies and standards. For the avoidance of doubt, UPST is the exclusive department for conducting purchasing and procurement activities. UPST has oversight responsibility for all procurements covered under the Policy and these Standards; however, final selection of Goods and/or Services, Contractor selection, and risk acceptance is the responsibility of the Department or Campus.

3. The President is designated as the officer of the University responsible for issuing these Standards. The Senior Vice President for Administration & Finance and Treasurer shall recommend such standards for the President's action. The Senior Vice President for Administration & Finance and Treasurer shall confer on a regular basis with the Vice Chancellors of Finance and Administration and the General Counsel to determine whether revisions to the Standards are appropriate to comply with University policies or law, and to assure that the University is using best practices to secure its Goods and/or Services.
4. University Personnel shall comply with all applicable state and federal laws and regulations with respect to purchasing and the procurement of Goods and/or Services including, without limitation, laws and regulations related to:
  - a. Use of public funds
  - b. Competitive bids
  - c. Public works projects
  - d. Federal Acquisition Regulation
  - e. Defense Federal Acquisition Regulation
5. All decisions to expend funds related to the acquisition of Goods and/or Services must be in accordance with the delegation and signatory authority set forth in Treasurer's Delegations [T97-014](#).
6. UPST shall be engaged at the requirements development stage for any RFX or procurement that requires a Competitive Procurement by submitting a sourcing request; otherwise, UPST shall be engaged by submitting a requisition for a Purchase Order in BuyWays. Questions regarding this process should be directed to UPST.
7. To the extent that a Department, Campus, or the President's Office has additional procurement-related policies or administrative rules or processes for the approval of purchases, those policies, rules, and/or processes that are not configured in BuyWays shall be complied with prior to or at the time of engagement of UPST. For example, 1) if a Campus has a policy that furniture products must be approved by the Campus' facilities department; then such facilities' approval shall be obtained prior to the requisition being submitted in BuyWays; or 2) if a Campus has a hazardous materials policy that specifies a ship to address, then those ship to addresses shall be specified on the BuyWays requisition when submitted.
8. UPST shall be engaged to conduct the purchasing and procurement activities for all purchasing and procurement activities as set forth in these Standards or when the purchase cannot be conducted with the use of only a Purchase Order.

#### **B. Other Group Purchasing Organizations (GPOs)**

University Personnel responsible for procurement and purchasing shall inform themselves of prices and specifications of items available through Group Purchasing Organizations ("GPO"), including but not limited to the Commonwealth of Massachusetts, Operational Services Division ("OSD") and the Massachusetts Higher Education Consortium ("MHEC"). GPO contract price agreements may be utilized whenever it would be to the advantage of the University. When utilizing GPO contracts other than OSD or MHEC, UPST shall determine if the GPO contract was the result of procurement activity



that complies in all material respects to the Policy and these Standards, including, without limitation, any requirements for Competitive Procurements.

**C. Contracting, Purchase Method Requirements, and Additional Approvals**

1. The required methods for procurement are specified in Section III, set forth in Table 1. Certain Goods and/or Services have more restrictive requirements, controls, and approvals as set forth under Section II(C)(2) and Section II(D). Any purchase that includes multiple categories of items purchased shall be governed by the most restrictive requirements.
2. Specific Approvals Required for Certain Goods and/or Services
  - a. Bank Cards
    - i. The University of Massachusetts Bank Card program is available to offer a payment method for those Contractors that do not accept a Purchase Order, a mechanism for emergency purchases, and a payment method in lieu of employee travel reimbursement.
    - ii. All purchases made using a Bank Card must be in compliance with University of Massachusetts Policies, Standards and Procedures, including these Standards and the [University of Massachusetts Bank Card Use Standards](#).
  - b. Direct Payments
    - i. “Direct Payments” are to be used only for approved purchases where UPST has determined that the transaction does not warrant the issuance of a Purchase Order. The Direct Payment is not to be used as a method to pay an invoice for goods or services after the fact, when a Purchase Order should have been issued.
    - ii. All purchases made using a Direct Payment must be in compliance with University of Massachusetts Policies, Standards and Procedures, including this Standard.
    - iii. Goods and Services approved by the UPST for Direct Payment shall be set forth in Table 4.
  - c. Requisitions and Purchase Orders
    - i. A Purchase Order is required for procurement of any Goods and/or Services that are ineligible for Direct Payment.
    - ii. Requisitions for Purchase Orders are created by the Department and must be approved by an individual in the Department who has adequate Expenditure Authority.
    - iii. Purchase Orders for certain Goods and/or Services require additional approvals set forth in Table 2. Once the requisition is approved, UPST issues the related Purchase Order. All University Purchase Orders are issued by UPST.

- iv. The issuance of a “Blanket” Purchase Order does not override any other requirements in these Standards.

d. Goods and/or Services Always Requiring a Purchase Agreement

In addition to the requirements set forth in Section II(C)(2)(c), any procurement of Goods and/or Services, regardless of Cost, that meets any of the criteria listed in Sections II(C)(2)(d)(i-vi) below always requires a Purchase Agreement. The applicable University standard Purchase Agreement form shall be used whenever possible when a Purchase Agreement is required. Whenever the governing Purchase Agreement is a Commonwealth of Massachusetts, Operational Services Division or other approved consortia agreement, the related purchase order shall reference such agreement.

- i. Procurements involving maintaining, disclosing, transmitting, accessing, using, or storing information defined as Private, Restricted or Confidential data in T97-010 Policy Statement on Data Security, Electronic Mail, And Computer Policy Development. require a Purchase Agreement with sufficient language that specifies the obligations of the Contractor for safeguarding personal information (“PI”) or protected health information (“PHI”) from unauthorized disclosure or use.
- ii. Procurements of software, software development or Software as a Service (“SaaS”) or any software or Service which would include access to University networks.
- iii. Procurements in which the Contractor is performing design, engineering, consulting and construction work, including but not limited to work governed by M.G.L. c.149, M.G.L. c.30 § 39M and M.G.L c.7C.
- iv. Procurements in which the Contractor is performing hazardous work, dangerous or security related activities, or may have access to sensitive areas or sensitive information.
- v. Procurements of any hazardous material or radioactive materials, or radioactive medical supplies.
- vi. Purchase Agreements implicating the University’s trademarks, copyrights, or intellectual property.
- vii. Procurements in which the Contractor will receive payments on behalf of the University of Massachusetts and will have access to Payment Card Industry Data (“PCI”), any data associated with a credit card or card holder’s account.
- viii. Procurements of Services with a cost greater than \$50,000 per fiscal year.

e. Restrictive Controls for Specified Goods and/or Services

- i. Additional approvals may be required for requisitions of certain Goods and/or Services

that are subject to other Board of Trustee policies or designated by a Campus or UPST. Additional approvals that are not configured in BuyWays shall be complied with prior to or at the submission of a requisition. The absence of a configured approval in BuyWays does not absolve the Department requesting a good or service from the requirement to comply with Policy or campus requirements.

- ii. Additional approvals including but not limited to those set forth in Table 2 under Section II(C)(1) are required prior to UPST issuing a Purchase Order.
- f. Purchase Agreements requiring notification of the University of Massachusetts President's Office
  - i. The Campus must notify the Senior Vice President for Administration & Finance and Treasurer, or designee when entering into a Purchase Agreement for consulting services greater than or equal to \$300,000 in value.

#### **D. Real Property**

Procurements involving Real Property shall always require a Real Property Agreement, and must comply with the Capital Planning, Land and Facilities Use Policy ([T93-122](#), as amended).

### **III. COMPETITIVE PROCUREMENT**

#### **A. Definition**

A Competitive Procurement shall include the consideration and evaluation of the Contractor's abilities to provide the required goods or services at the best over-all value to the University consistent with the necessary specifications, quantities, quality, durability, availability, serviceability, and other factors affecting the use of the good or service by the University. The Competitive Procurement may include an RFX open to a minimum of two (2) Contractors, but a strongly preferred minimum of three (3) Contractors.

#### **B. Requirements**

1. A Competitive Procurement is required for purchases of any Goods and/or Services for which the Cost per year equals or exceeds ten thousand dollars (\$10,000), except for those purchase transactions identified in Table 3 Exceptions to Competitive Procurement. The Chief Procurement Officer has the authority to waive the Competitive Procurement requirement in exigent circumstances that may include, without limitation: (a) threats to the health and safety of students, faculty, or staff; (b) the integrity or stability of University infrastructure both physical and logical; or (c) the operational needs of the University.
2. All Labor and Materials construction projects must be bid in compliance with M.G.L. c.149 and M.G.L. c.30 § 39M.
3. Services for Building Projects (as defined in M.G.L. c.7C) must be bid in compliance with M.G.L. c.7C.

4. RFXs shall be written in a manner to encourage fair and open competition; e.g., proprietary Specifications favoring a single Contractor shall not be included.
5. Specifications shall be written in clear, simple language and provide an accurate description of the physical, technical, or functional characteristics of the desired Good or Service. Specifications shall be as detailed as practical, presenting a clear statement of the required standards of workmanship, materials, services and/or performance of the desired Goods and/or Services. RFXs may include language for the submission of samples that may be examined, tested, and analyzed to determine if they meet the stated Specifications.
6. RFXs issued should include a copy of the University's standard Purchase Agreement for the type of transaction and any other contractual terms and conditions applicable to the particular procurement.
7. When applicable, RFXs shall be posted on the UPST website, and when deemed desirable, or as required by law, may be advertised in newspapers and trade journals in the state, COMMBUYS or other appropriate public internet websites. Advertisement for design and building construction must be in compliance with M.G.L. c.7C, M.G.L. c.149 and M.G.L. c.30 § 39M. RFXs run by Group Purchasing Organizations or other procurement consortia may be used to fulfill this requirement, provided that such RFX was the result of procurement activity that complies in all material respects to the Policy and these Standards, including, without limitation, any requirements for obtaining quotes from multiple Contractors.
8. Additional requirements for Competitive Procurement are set forth in Table 1.

### **C. Competitive Procurement Waiver**

When a Competitive Procurement is required per the Policy or these Standards, a procurement without a RFX may be awarded subject to the approval of a written "No Bid Justification" by the Chief Procurement Officer of the University or designee. The No Bid Justification must include the benefits and circumstances for purchasing without Competitive Procurement, or the reasons why a Competitive Procurement is impractical or not possible. The No Bid Justification must also include how the requester has ensured price competitiveness and reduction of risk in lieu of the use of a Competitive Procurement. A No Bid Justification must be submitted on the specified form or through BuyWays by the Department to UPST. The form must be approved by the requester, and the individual with budgetary oversight for the funds being expended without Competitive Procurement.

### **D. Proof Concepts/Trials**

1. Highly technical and complex purchases of equipment, software, and certain technical services may not be ideally suited for traditional RFXs or "paper based" evaluations; i.e., appropriate diligence and evaluation may require actual hands-on use, or for services, actual experience with the processing. Proof of concepts and trial agreements are agreements between the University and a Contractor to determine suitability to meet University requirements. Whenever possible the University's standard proof of concept or trial agreement form shall be used. Given the preceding, and subject to the approval of UPST, Departments may substitute a proof of concept

or trial to evaluate at least two (2) potential Goods or Service offers. The proof of concept or trial exercise must include:

- a. Execution of a proof of concept or trial agreement
  - b. Documented evaluation criteria
  - c. Submitted pricing from each bidder
  - d. Pricing/Cost analysis based on likely consumption of Goods and/or Services
  - e. Bidder's response to the University's Purchase Agreement; and
  - f. Documented scoring of both bidders across all of the above elements
2. The intent of the proof of concept or trial exception is not the elimination of marketplace competition but as an alternative when all requirements are not necessarily known at the initiation of the purchasing process or when the nature of the functionality does not lend itself to the traditional RFX process.

#### **IV. LEGAL REVIEW; STANDARD UNIVERSITY PURCHASE AGREEMENTS; GENERAL COUNSEL PRESENTATION**

- A. The General Counsel, or an attorney in the Office of the General Counsel as the General Counsel may determine, shall review and determine legal acceptability of the following Purchase Agreements prior to execution as set forth in the Policy and as further set forth below. Review by the Office of the General Counsel under the Policy and these Standards is in addition to any other internal approvals that may be required under other University policies.
1. Purchase Agreements for Services with a Cost of \$100,000 or more per fiscal year.
  2. Regardless of Cost:
    - a. Real Property Agreements;
    - b. Lobbying Services agreements;
    - c. Purchase Agreements and/or amendments thereto, containing language that modifies, deletes, adds to, or otherwise alters the University's standard Purchase Agreement terms and conditions.
    - d. Purchase Agreements drafted by a Contractor and utilized in lieu of the University's standard terms and conditions.
- B. In addition to the preceding, the Office of the General Counsel may review any Purchase Agreement and/or amendments thereto which UPST, a Department, Campus, and/or the Office of the General Counsel reasonably believes requires legal review. Whenever possible, the University's standard Purchase Agreements (e.g. Contract for Services) shall be used for procurements covered under the Policy and these Standards.
- C. At least annually, the Office of the General Counsel shall present an update on the current state of significant legal matters to the Audit and Risk Committee of the University Board of Trustees. This presentation shall be delivered in Executive Session, in accordance with the MA Open Meeting Law.

## **V. INTERPRETATION OF THESE STANDARDS**

The Chief Procurement Officer shall be consulted regarding any interpretation or application of the Policy or these Standards. The Chief Procurement Office shall consult with the Office of the General Counsel for further guidance if necessary or appropriate. Subjects of consultation may include, without limitation, review and advice for any aspect of procurement, including development of RFXs, responses from bidders, post-award de-briefs and protests, proposed contract terms, and negotiations.



**Table 1. Required Methods for Procurement**

Type of Procurement	Fiscal Year \$ Limit	Competitive Bids/ Sourcing Requirement <sup>2</sup>	Contract Requirement (PO required for all) <sup>1</sup>
Goods			
Purchased on Existing UMass, UPST-approved GPO, or OSD Contract	Any Amount	N/A	Purchase Order Linked to Existing Contract
Not purchased on Existing UMass, UPST-approved GPO, or OSD Contract	Less than \$10k	N/A (Best Over-all Value)	Purchase Order
	Greater than or equal to \$10k but less than \$50k	Multiple (2-3) Quotes (Best Over-all Value)	Purchase Order
	\$50k & Over	Formal Bid by UPST <sup>1</sup>	Purchase Order
Services			
Purchased on Existing UMass, UPST-approved GPO, or OSD Contract	Any Amount	N/A in most cases (contract must be applicable to services being procured-contact UPST for questions)	Purchase Order Linked to Existing Contract
Not purchased on Existing UMass, UPST-approved GPO, or OSD Contract	Less than \$50k	N/A (Best Over-all Value)	Purchase Order with attached Scope of Work Applicable UMass Purchase Agreement may be required <sup>2</sup>
	Greater than or equal to \$50k but less than \$100k	Formal Bid by UPST <sup>2</sup>	
	\$100k & Over		Applicable UMass Purchase Agreement <sup>3</sup>
Entertainment Contracts <sup>4</sup>	Less than \$10k	N/A (Best Over-all Value)	Campus Entertainment Terms and Conditions
Equipment Rental/Lease/Purchase (not Real Property) not on Existing UMass Purchase Agreement	Less than \$10k	N/A (Best Over-all Value)	Purchase Order Applicable UMass Purchase Agreement may be required
	Greater than or equal to \$10k but less than \$50k	Multiple (2-3) Quotes (Best Over-all Value)	Applicable UMass Purchase Agreement
	\$50k & Over	Formal Bid by UPST <sup>2</sup>	Applicable UMass Purchase Agreement

<sup>1</sup> A No-Bid Justification is REQUIRED if a purchase does not comply with the Competitive Procurement criteria listed in the table above.

<sup>2</sup> Applicable UMass Purchase Agreement shall mean the UMass Contract for Services or Master Services Agreement, as defined in Article I, Section B(12) of the Administrative Standards for the Procurement Policy.

<sup>3</sup> UMass SVP for A&F Notification Required for Consultant Services over \$300k.

<sup>4</sup> Entertainment/Artist Agreements: Contracts for the procurement of services by performers or artists for entertainment purposes, require the use of Campus Entertainment Terms and Conditions.



**Table 1. Required Methods for Procurement (Continued)**

Type of Procurement		Fiscal Year \$ Limit		Competitive Bids/ Sourcing Requirement <sup>1</sup>	Contract Requirement (PO required for all) <sup>1</sup>
Information Technology (Hardware)					
Purchased through UPST VAR program, MHEC, or OSD Contract (“Contract”)		Less than \$300k		Any supplier on UPST VAR program	Purchase Order linked to Contract
		\$300k & Over		Recommended multiple quotes from two or more supplier on UPST VAR program	
Not purchased through UPST VAR program, MHEC, or OSD Contract		Less than \$10k		N/A (Best Over-all Value)	Purchase Order
		Greater than or equal to \$10k but less than \$50k		Multiple (2-3) Quotes (Best Over-all Value)	
		\$50k & Over		Formal Bid by UPST	
Information Technology (Software and/or SaaS)					
Purchased through UPST VAR program, MHEC, or OSD Contract (“Contract”)		IT SECURITY REVIEW REQUIRED	Fiscal Year \$ Limit	Competitive Bids/ Sourcing Requirement <sup>1</sup>	Contract Requirement (PO required for all) <sup>1</sup>
	No to All Data Questions	No	Less than \$10k	Any supplier on UPST VAR program	Purchase Order linked to Contract
			Greater than or equal to \$10k but less than \$100k	Recommended multiple quotes from two or more supplier on UPST VAR program	
			\$100k & Over	Recommended multiple quotes from two or more supplier on UPST VAR program	Purchase Order linked to Contract
	Yes to Any Data Questions	Yes	Less than \$10k	N/A (Best Over-all Value)	Purchase Order linked to Contract <i>(additional UMass Data Security Terms and Conditions may be required depending upon IT Security Review)</i>
			Greater than or equal to \$10k but less than \$100k	Recommended multiple quotes from two or more supplier on UPST VAR program	
			\$100k & Over	Recommended multiple quotes from two or more supplier on UPST VAR program	Purchase Order linked to Contract <i>(additional UMass Data Security Terms and Conditions may be required depending upon IT Security Review)</i>
Not purchased through UPST VAR program, MHEC, or OSD Contract		Yes	Less than \$10k	N/A (Best Over-all Value)	Purchase Agreement required <i>(additional UMass Data Security Terms and Conditions may be required depending upon IT Security Review)</i>
			Greater than or equal to \$10k but less than \$50k	Multiple (2-3) Quotes (Best Over-all Value)	
			\$50k & Over	Formal Bid by UPST	

<sup>1</sup> A No-Bid Justification is REQUIRED if a purchase does not comply with the Competitive Procurement criteria listed in the table above.

<sup>2</sup> Please see the UMass Board of Trustees approved Procurement Policy for additional clarification.





**Table 1. Required Methods for Procurement (Continued)**

Type of Procurement	Option	Fiscal Year \$ Limit	Competitive Bids/ Sourcing Requirement	Contract Requirement (PO required for all) <sup>1</sup>
<b>Construction</b> (Note: Trade Work <sup>2</sup> needs must be confirmed with your campus Facilities Dept)		Less than \$10k <sup>2</sup> (Combined cost of Labor and Materials)	N/A (Best Over-all Value)	Purchase Order Required with attached Scope of Work
	1 <sup>5</sup>	Greater than \$10k but less than \$50k <sup>2</sup> (Cost of Labor only) Using UMass Trades Contract	With a defined scope of work, solicit and receive quotes from at least two contracted suppliers <sup>3</sup>	Purchase Order Required and Statement of Work (SOW) linked to existing UMass Trades Contract
	2 <sup>5</sup>	Greater than \$10k but less than \$50k <sup>2</sup> (Cost of Labor only) Using OSD Trades Contract	With a defined scope of work, solicit and receive quotes from at least two contracted suppliers <sup>3</sup>	Purchase Order Required with Statement of Work (SOW) linked to existing OSD Trades Contract
	3 <sup>5</sup>	Greater than \$10k but less than \$50k <sup>2</sup> (Cost of Labor only) NOT Using UMass Trades or OSD Trades Contract	Use a written scope-of work statement to solicit written responses from no fewer than 3 persons who customarily perform such work and meet advertising and bonding requirements of applicable law <sup>3, 4</sup>	Purchase Order Required and UMass Purchase Agreement/Contract Required and Prevailing Wage Sheet
		\$50k & Over	Formal Bid by UPST	Purchase Order Required and UMass Purchase Agreement/Contract Required

<sup>1</sup> Please see the UMass Board of Trustees approved Procurement Policy for additional clarification.

<sup>2</sup> Applies to any scope of work that is defined as "construction" by Chapter 149 - "construction, reconstruction, installation, demolition, maintenance or repair of any building by a public agency"

<sup>3</sup> Work on a single project using multiple trades contracts cannot exceed \$150k

<sup>4</sup> For advertising requirements see: <https://www.mass.gov/doc/charts-on-procurement-procedures-effective-november-25-2022/download>

<sup>5</sup> Construction greater than \$10k but less than \$50k must use one of three options for procurement listed. Under MGL, only the cost of the labor is used to calculate the cost, but materials must be broken out separately. The total combined cost of any one project (including all trades work, even with multiple trades from different suppliers, and including materials) cannot be greater than \$150k



**Table 2. Additional Requirements for Certain Goods and/or Services**

Type of Procurement	Purchase Agreement Requirement	Additional Approval Required
Any purchase of Goods and/or Services where the Contractor has access to University Sensitive Data	Purchase Order and Purchase Agreement (CFS) Data Management Agreement <sup>2</sup>	Commodity Approver <sup>1</sup>
Construction	See Table 1	Commodity Approver <sup>1</sup>
Furniture	Purchase Order	Commodity Approver <sup>1</sup>
Hazardous Materials	Purchase Order	Commodity Approver <sup>1</sup>
Information Technology (Hardware)	See Table 1	IT Acquisition Policy Commodity Approver <sup>1</sup>
Information Technology (Software)	See Table 1	IT Acquisition Policy Commodity Approver <sup>1</sup>
Information Technology (Software as a Service - SaaS)	See Table 1	IT Acquisition Policy Commodity Approver <sup>1</sup>
Lasers and 3D Printers	Purchase Order	Commodity Approver <sup>1</sup>
Live Animals	Purchase Order	Commodity Approver <sup>1</sup>
Radioactive Material and Radioactive Medical Supplies	Purchase Order	Commodity Approver <sup>1</sup>

<sup>1</sup> Commodity Approval as defined by Campus

<sup>2</sup> May be required by Campus Commodity Approvers

<sup>3</sup> Purchase Agreement may be required if Contractor requires the acceptance of additional Contractor terms and conditions



**Table 3. Exceptions to Competitive Procurement**

TYPE OF PROCUREMENT
Purchase Agreement for Goods with a total Cost of less than or equal to \$9,999.99 per fiscal year
Purchase Agreements for Services with a total Cost of less than or equal to \$49,999.99 per fiscal year
Software maintenance renewals when purchased from the manufacturer of the software
Hardware maintenance renewals when purchased from the manufacturer of the hardware
Renewals of Software as a Service (“SaaS”) or hosted applications services
Library journals when purchased directly from the publisher
Instances where UPST consolidates contracts from multiple campuses or departments into a single agreement



**Table 4. Categories for the use of Direct Payment**

APPROVED CATEGORIES	
Advertising	Postage/Freight
Athletic Officials	Provider Payments (Medical) <sup>1</sup>
Donations	Registrations
Fees/Licenses	Royalty Payments
Fuel	Stipends
Funeral Home/Coroner <sup>(1)</sup>	Subscriptions
Gifts/Prizes/Awards	Telecom
Honorariums	Temporary Help Services
Human Subjects	Uniforms
Legal Fees/Settlement	Utilities
Membership Fees	Visa Applications
Moving – Lab/Office	Waste Disposal
Non-Employee Reimbursement	Web Service Fees
Performers	

<sup>1</sup> UMass Chan Medical School Only

# **UMASS BANK CARD STANDARD**

**UPDATED: June 1, 2024**

## 1. INTRODUCTION

The purpose of the University of Massachusetts Bank Card program (the UMass Bank Card respectively) is to provide an efficient means to procure allowable business related goods, pay for business related travel expenses, and provide a mechanism for emergency purchases for suppliers that do not accept a purchase order.

**Definition:** The terms Supervisor and/or Manager are used interchangeably throughout this document. This role is responsible for reviewing cardholder's expense transactions, and receipts. and the supervisor/manager must have the ability and responsibility of initiating HR actions if there is misuse of University funds. This person does not necessarily need to be the PeopleSoft HR supervisor or manager but was delegated the supervisory role by the campus.

**Cardholders and their Supervisors are responsible for the review and compliance with all**

- **UMass Policies, Standards, and Procedures including:**
  - University Procurement Policy
  - University Business and Travel Expense Policy
  - Umas Bank Card Standard
- **Department internal procedures**
- **Funding sponsor requirements**

## 2. HOW IT WORKS

The UMass Bank Card is a commercial credit card. The card works in much the same way as your personal credit card except the monthly statement amount is paid for by the University. Each card has specific spending limits and card controls:

- single purchase limit amount
- spending limit amount per month
- approved merchant category code (MCC)

Each time a vendor enters the cardholder's card number for a purchase, an electronic process verifies that the purchase is within these limits. All transactions are approved or declined by the vendor based on the verification results. Limits are set at the department level on the Card Application form. The cardholder purchases directly from the vendor, either in person or by phone, mail, on-line or fax

### **3. ELIGIBILITY AND HOW TO APPLY FOR A UMASS BANK CARD**

A UMass Bank Card may be issued to a any individual that the University has issued an employee identification to, who:

- Has a frequent need to make purchases on behalf of their department.
- Has the approval from their Department Supervisor or Manager with the authority over the department budget.
- Has completed the required UMass Bank Card training.

The employee must complete and e-sign the cardholder information section of the UMass Bank Card application form. The application is then forwarded to the cardholder's Supervisor/Manager, who will fill out the necessary information regarding card controls and limits and e-sign the form.

All UMass Bank card applicants are required to complete training and both the user, and the supervisor are required to sign off on understanding and complying with the University Bank Card Standard.

Once a complete application is submitted to the UMass Bank Card team, the process to receive a card may take 1-3 weeks. The Bank Card team will initiate a new card for the applicant and the UPST will send directly to the cardholder using the business address from their application form. The Bank Card team upon order of the card, will forward to the cardholder the instructions for activating the account, executing the Cardholder Agreement form indicating they have 1) completed and understand the UMass Bank Card training, 2) read and understand all Policies and Standards related to purchasing and UMass Bank Card use, 3) read and understood the obligations included in the Cardholder agreement, and 4) agree to:

- Abide by all University Policies and Standards
- Acceptance of consequences for UMass Bank Card violations

Any UMass Bank Card with eighteen (18) months of inactivity will be closed by the issuing bank due to risk. The cardholder will need to go through training and reapply to receive a replacement card.

UMass Bank Cards are renewed based on the expiration date shown on the card. A renewal card will be sent to the UPST within 30 days of expiration. The UPST will issue the replacement card provided the employee is in good standing and up to date with records and transaction allocation and require attestation of agreement to the Bank Card Standard. All expired cards shall be destroyed by the cardholder upon activation of the replacement card.

#### **4. CARDHOLDER RESPONSIBILITIES**

UMass Bank Cards are issued for the exclusive use and responsibility of the specific individuals to whom they have been issued. The cardholder shall not authorize another University employee to use their card.

Allowable charges incurred on the UMass Bank Card are a University liability. It is the cardholder's responsibility to ensure their UMass Bank Card is safeguarded from loss, theft, or misuse. This means the card shall be carried on one's person when use is required and locked in a secure location when not in use.

All incorrect charges or product returns must be resolved promptly with the action taken recorded on the transaction receipt. Cardholders shall not receive cash back for returns or exchanges. Returns or exchanges shall be credited to the respective UMass Bank Card account.

If a problem arises with a transaction that the cardholder is unable to resolve directly with the vendor, please contact the issuing bank of the UMass Bank Card directly using the phone number on the back of your credit card as soon as possible. Transactions should be reviewed, allocated, and/or disputed within 30 days of the transaction ensure proper reporting and management of University funds.

Cardholders must report a lost or stolen card **immediately** to the issuing bank of the UMass Bank Card and the Bank Card team via email to [upst@umassp.edu](mailto:upst@umassp.edu). Lost/stolen messages should be marked as 'urgent'.



Cardholders are responsible for submitting all required receipts for all UMass Bank Card purchases into Concur. These receipts should be submitted with the cardholder's allocated transactions within thirty days. All submitted reports are subject to review and audit. Other supporting documentation may be required depending on the type of transaction. For example, food purchased for University functions, cardholders must follow the campus and University Business / Travel expense policy to report function details.

If a receipt is lost, the cardholder must make every possible attempt to contact the vendor and obtain a copy. If a copy cannot be obtained, a Missing Receipt Form must be filled out as the absolute last resort. All Missing Receipt Forms must be signed by the cardholder and supervisor. **A Missing Receipt Form is required for each line item for which a corresponding required receipt is missing.** Excessive use (more than 3 in any 12-month period) of the Missing Receipt Form risks in the termination of the cardholder's UMass Bank Card.

If bank card transactions are not allocated/submitted on an expense report in Concur within 90 days of the transaction date the cardholder risks temporary suspension of the card until all transactions are in compliance with policy.

Purchases made for the University are exempt from MA state sales tax for goods purchased and shipped to Massachusetts. Forms ST-2 and ST-5 can be found at <https://www.umassp.edu/treasurer/tax-and-compliance>.

When separating from the University or changing departments, cardholders should return their cards to their supervisor/manager and notify the Bank Card Manager by email to [upst@umassp.edu](mailto:upst@umassp.edu).

## 5. SUPERVISOR RESPONSIBILITIES

Supervisors are responsible for confirming all transactions are allowable, legitimate business purposes. The supervisor shall also confirm there is no MA state sales tax being charged to the University. When approving the cardholder's transactions in Concur, the supervisor is confirming they have performed a thorough review, and all transactions are in accordance with the UMass Bank Card Standard (e.g. no restricted purchases were made, and foreign expenditure process followed) as well as the University of Massachusetts Business and Travel Expense Policy and Standards. Questions on expenses should be discussed with the cardholder prior to the supervisor's approval of the of the Concur expense report. If the supervisor determines the cardholder has misused the UMass Bank Card, the supervisor shall alert the Bank Card team immediately.

The supervisor and/or campus representative is responsible for notifying the Bank Card team when an account needs to be closed due to the termination or departure of an employee or the decision by the supervisor to revoke the card or any other reason.

## 6. RESTRICTED ITEMS

The following items **should not be purchased** using the UMass Bank Card:

- Alcoholic beverages - Please Refer to the Business & Travel Expense Policy and appropriate campus approvals matrix for specific campus allowability (section 1.03)
- Amazon Prime accounts
- Animals
- Any item prohibited by State or University policy
- Capital equipment (greater than \$5,000)
- Cash advances of any type
- Cell phones
- Computers, laptops, tablets, and hard drives
- Flowers - Please Refer to the Business & Travel Expense Policy and appropriate campus approvals matrix for specific campus allowability (section 1.07)
- Upholstered Furniture
- Gasoline for personal vehicle
- Gifts or Awards – Please Refer to the Business & Travel Expense Policy and appropriate campus approvals matrix for specific campus allowability (section 1.07)
- Gift cards – Please Refer to the Business & Travel Expense Policy and appropriate campus approvals matrix for specific campus allowability (section 1.07)
- Insurance
- Leases and lease-purchases
- Monthly utility payments
- Moving services
- Payments to individuals (example: Honoraria)
- Personal purchases
- Prescription drugs and controlled substances

- Radioactive and hazardous material
- Rentals (except vehicle rentals for approved travel)
- Service contracts (paying an individual or company to provide service)
- Split transactions – transactions over the approved limit on the UMass Card account may not be intentionally ‘split’ to bypass the limit
- UMass Club memberships unless approved by the University President

*\* Any purchases that may be considered additional compensation per the IRS require additional review*

## 7. TYPICAL PURCHASES

- Purchases can be made for the individual cardholder or to meet the department needs, provided the card is not shared. The following represents common allowable purchases for UMass Bank Cards **when not** available through BuyWays:
- Airline tickets.
- Books
- Conference registrations
- Food for University functions
- Fuel for State car or rental for University business.
- Institutional dues and memberships (only if vendor requires a credit card payment)
- Lodging
- Postage/Shipping
- Reprints of journal articles
- Vehicle rental for University business

## 8. FOREIGN EXPENDITURES

The UMass Bank Card may be used for the purchase of **tangible goods** from foreign vendors or if a faculty/staff member will travel to a foreign country.

However, the BuyWays system should be the primary way to purchase **software and services** (defined below). Furthermore, using the UMass Bank Card to purchase software and services from foreign vendors is prohibited due to potential United States tax implications. If, however, the vendor refuses to accept a purchase order and will only accept the bank card, contact the UMass Treasury Department prior to making the purchase. Failure to do so may result in the department being responsible for and assuming the federal 30% tax withholding liability in addition to the cost of a tax gross up.

## **Software and Services**

- **Software**
- **Royalties/Licenses**- This includes the rights to use images, art or text, music or music files, and other intellectual property.
- **Web based services/software as a service (SaaS)**- This includes subscriptions/memberships.
- **Publishing services** if the location of the services is not defined.
- **Prizes/Awards/Human Subject Payments**
- **Services provided by foreign vendors within the United States**- This includes:
  - Independent contractor services
  - Conference registration fees paid to foreign vendors for conferences held within the U.S.

It is crucial to comply with tax regulations to avoid any legal and financial repercussions.

If there are questions on taxation, please send an email to UMass Treasury Department ([Treasurer\\_TaxNRA@umassp.edu](mailto:Treasurer_TaxNRA@umassp.edu)) and they will assist you.

## **9. HOW TO ACTIVATE THE CARD**

UMass Bank Cards must be activated upon receipt by the Cardholder. Cardholders can either call the issuing Bank directly using the number listed on the back of the card to activate or go online. Cardholders will also need to create a pin number for the chip and pin card. Only a cardholder may retrieve this pin so the pin must be something the cardholder will remember. If the pin is forgotten, the cardholder must call the bank to have it reset.

Cardholders will be sent a Cardholder Agreement form for each card. Card activation will not be completed until the form is e-Signed and returned to the UPST by the cardholder.

## **10. HOW TO USE THE UMASS BANK CARD**

Prior to making a purchase, the cardholder must:

- Be sure that there is sufficient budget available for the purchase.
- Verify if the purchase can be made utilizing BuyWays instead of the UMass Bank Card
- Check the list of restricted items to ensure the purchase is for an allowable item.
- Be sure that the total amount of the purchase (including shipping) will not exceed the card's applicable limit.
- Always let the vendor know that the cardholder is making a purchase for the University. This will make the vendor aware the purchase is eligible for any applicable discounts.
- Be sure to have any necessary authorization specific to the cardholder's department to make the purchase.

Purchases in person:

- Verify the price.
- Emphasize the tax-exempt status of the University (some vendors may require a copy of tax-exempt form <https://www.umassp.edu/treasurer/tax-and-compliance>). For convenience, the tax-exempt number is on the credit card, however a vendor may require a hard copy of the tax-exempt form.
- Obtain sales receipt or packing slip for UMass Bank Card records.

Purchases by phone, mail, or fax:

- Cardholder shall identify themselves as a UMASS employee making a purchase on a UMass Bank Card.
- Verify the price.
- Emphasize tax-exempt status. If the vendor requires proof, send a copy of the University's tax-exempt certificate <https://www.umassp.edu/treasurer/tax-and-compliance>. For convenience, the tax-exempt number is on the credit card, however a vendor may require a hard copy of the tax-exempt form.

- Provide vendor with name, department, phone number, and delivery instructions.
- Provide purchase card number and expiration date and CVV security code.
- Confirm the total price of the order including shipping charges.
- Request that receipts/invoices be sent with the order or sent to your attention.
- Obtain name of person taking the order.
- Inspect the order when it arrives to verify order accuracy, quality, and price.
- Attach all receipts/invoices with Concur expense submissions.

## **11. SALES TAX EXEMPTION**

The University is exempt from paying Massachusetts state sales tax for the purchase of goods delivered or picked up in Massachusetts, and, in most instances, from other states as well. It is the responsibility of the cardholder to ensure that sales tax is not charged when the University is exempt when making a purchase with the UMass Bank Card.

The sales tax exemption number must be given to the vendor at the time of the transaction to exempt sales tax. Copies of the ST-2 and ST-5 forms can be found at <https://www.umassp.edu/treasurer/tax-and-compliance>. For convenience, the tax-exempt number is printed on the bank card, however a vendor may require the form to be submitted.

If a UMass Bank Card is charged tax, the cardholder is required to request a credit from the vendor as soon as the error is discovered. The cardholder is responsible for the follow-up until the vendor's credit is received.

## **12. RECEIPTS**

Each transaction is required to have a corresponding receipt. The only exception to the receipt requirement would be receipts for travel related items (parking, tolls, taxi, etc....) that are under \$25.00, this is consistent with the Business and Travel Expense Standard. Receipts include the transaction's proof of purchase (charge slips, cash register receipts, invoices, or packing slips that note the price paid). For subscriptions, a copy of the renewal notice, or the initial subscription request may be used as a receipt.

Receipts should include the following information:

- Vendor name
- Description of item purchased.
- Transaction date
- Transaction total
- Beginning and expiration dates for subscriptions
- Proof that charge was billed to the UMass Bank Card (i.e., last 4 digits of card number)

For a meal (when allowed on the UMass Bank Card), the receipt that shows the details of the items that were purchased is required, not just the charge receipt showing the total cost. Please refer to the business and travel expense policy for additional information required to support the justification of the expense.

### **13. RETURNING AN ITEM PURCHASED ON UMASS BANK CARD**

Items that are being returned shall be promptly sent back to the vendor to avoid any return time limits. Credit for the return should be applied by the vendor to the credit card used for the purchase. Cash refunds are prohibited however a check reimbursement from the vendor is acceptable in some cases. The check shall be made out to the University of Massachusetts. The cardholder is responsible for ensuring receipt of materials and to follow-up with vendors to resolve any delivery problems, discrepancies, or damaged goods.

### **14. DISPUTING A TRANSACTION**

The cardholder is responsible for follow-up with the vendor in the event of erroneous charges, disputed items within 30 days of the transaction. Disputed billing can result from failure to receive goods, misuse, fraud, defective merchandise, duplicated charges, incorrect amounts or unprocessed credits. The vendor should always be contacted first in attempting to resolve disputes. If the issue cannot be resolved, cardholders shall contact the Bank Card team immediately with supporting documentation. Unresolved issues that are not reimbursed by US Bank or vendor are the responsibility of the cardholder if there was a delay in disputing the transaction.

## 15. AUDITS

UMass Bank Card expenditures are subject to audit by internal and/or external auditors. The UMass Bank Card team will review transactions to ensure the cardholders and supervisors are following the UMass Bank Card Standard as required. Any non-compliance noted by the UMass Bank Card Auditor will be recorded in the UMass Bank Card Audit file for the cardholder with repercussions based on the frequency or severity of the non-compliance issue.

## 16. MISUSE OF THE UMASS BANK CARD

The Board of Trustees has issued a Policy Statement on Fraudulent Financial Activities (Doc. T00051, adopted August 2, 2000) available at: <https://www.umassp.edu/bot/policies/fraudulent-financial-activities-policy>.

Cardholders assume the responsibility for the protection and proper use of the UMass Bank Card.

The following are a few specific examples of “misuse” of the UMass Bank Card:

### **Examples of personal misuse:**

- Purchases made for the sole personal benefit of the employee, whether through a vendor or directly.
- Assignment or transfer of an individual's card to another person.
- Use of card to purchase restricted commodities, or for purchases that are inappropriate for the account charged.

### **Examples of administrative misuse:**

- Lack of proper and timely expense allocation of the individual cardholder's account.
- Excessive use of the Missing Receipt Form.
- Failure to respond to requests for more information on transactions from the UMass Bank Card Manager or UMass Bank Card Auditor.



- Failure to monitor and correct budget errors that arise on bank card transactions.

UMass Bank Card activity is monitored by the UMass Bank Card team and the UMass Bank Card Auditor.

At times, cardholders may receive communications from the UMass Bank Card team or UMass Bank Card Auditor for clarification or for additional information related to transactions on a cardholder's UMass Bank Card. The UMass Bank Card team has the duty to report suspected misuse and non-compliance findings to the appropriate campus Controller. The Controller is bound by University policy to escalate the review of the findings to the University Internal Audit department, as appropriate. If the Controller is the employee involved in the misuse, the UMass Bank Card Manager will report the misuse to the appropriate A&F leader for the campus or the Senior Vice President for Administration and Finance (SVP A&F) if it occurred in the UMass President's Office.

## **17. CANCELLATION, SUSPENSION OR REVOCATION OF CARDS**

In the event that it becomes necessary to cancel a UMass Bank Card, the cardholder must surrender the card to the department head who will destroy the card and notify the UMass Bank Card team to close the account immediately.

The department shall provide written notification to the UMass Bank Card team that the card is to be cancelled on a specific date along with an explanation why the card is being cancelled. The UMass Bank Card team will then close the account in the issuing bank's web portal system.

Reasons for cancellation, suspension or revocation include but are not limited to:

- Cardholder is no longer employed by department or University.
- Cardholder goes on leave without pay.
- Cardholder or department decides to discontinue participation in the program.
- Purchasing restricted commodities.
- Splitting transactions to avoid the single purchase limit.
- Repeated use of the UMass Bank Card when contracted or preferred vendors are available (e.g. BuyWays).

- Failure to respond to requests for more information on transactions.
- Using UMass Bank Card for purchases for personal use.
- Exceeding available budget.
- Violation of other University purchase policies and guidelines.
- Excessive use of the Missing Receipt Form.
- Repeated failure to have sales tax removed promptly.
- Issuing bank's mandatory closure of card after eighteen (18) months of inactivity
- User has failed to allocate transactions and/or submit receipts within 90 days of the purchase.

If a violation is believed to have occurred, a formal warning notification from the UMass Bank Card Manager will be issued. The user must respond with a corrective action within 7 days of receiving the warning. If the corrective action is not deemed appropriate or if the user is in further violation after the warning, the card will be subject to revocation.

## **18. LOST OR STOLEN CARDS**

The cardholder must immediately report a lost or stolen card to the issuing bank. Representatives are available 24 hours a day, 7 days a week.

For any lost or stolen cards, the cardholder must also inform the UMass Bank Card team within 24 hours. Please contact the UMass Bank Card team by emailing [upst@umassp.edu](mailto:upst@umassp.edu) directly. If the card has fraudulent charges, the bank will send the cardholder a form to begin a dispute of those charges. If the cardholder does not notify the bank as soon as possible, the University may be liable for any charges made.

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**Doc. T92-031, Appendix A, as amended | Procurement Policy**

*Passed by the Board of Trustees June 3, 1992*

*Revised:*

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*August 7, 2002*

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*December 15, 2021*