



Approving University Official(s): Vice President and Chief Financial Officer

Responsible Office: Procurement and Payment Services

Effective date: September 1, 2023

Next review date: September 1, 2026

## PURCHASING AND PAYMENT

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The role of PPS is to help departments/schools make informed, best value purchasing decisions, streamline procedures for purchasing and payment, advocate for improved systems, and assist departments/schools with all other purchasing and payment related issues. PPS consists of Vendor File Management, Purchasing and Strategic Sourcing, Procurement, Accounts Payable, Corporate Card, e Payment, Procurement Diversity, Travel, and Logistics (central receiving, lab gas program, and mail services)

More detailed information is available on [the Procurement and Payment Services website](#)

## B. AUTHORITY AND RESPONSIBILITY

Northwestern maintains a procurement environment that delegates considerable decision making authority to departments/schools. Employees involved in the purchasing process take full responsibility for vendor relations. Purchasing decisions are business decisions made on behalf of Northwestern and therefore should be made with the utmost consideration for what is in the best interest of Northwestern.

Procurement of certain items or services may require specific licensure. It is the responsibility of the school/unit to obtain appropriate licensure. For example, if a department/school utilizes [controlled substances](#), they are required to have all appropriate licenses from the Drug Enforcement Administration (DEA) and the State of Illinois.

## C. SEGREGATION OF DUTIES

Segregation of duties and responsibilities in the purchasing and payment process provides proper controls. Schools/units must ensure appropriate individuals are assigned responsibility for selecting, validating, and approving purchases.





- x Insurance Requirements Northwestern has established minimum contractor liability insurance requirements Risk Management must review and approve any exceptions to the standard insurance requirements of Northwestern PPS will coordinate the assessment of insurance coverage when PPS is handling the ITB or a list of suggested insurance limits, or if you have specific questions, contact [Risk Management](#)
- x Regulatory Requirements If the product or service being procured includes storage or transfer of data that falls under regulatory requirements, there may be additional regulatory considerations, such as:
  - o Export Controls. Vendors are responsible for complying with all applicable export control regulations Any such export controlled items, equipment, or information MUST be properly handled and labeled. The burden shall be on the Vendor to prevent such export controlled information from being improperly disclosed to Northwestern and if necessary, the Vendor shall obtain the appropriate license or approval from the relevant authorities or shall invoke an available exception, exemption, or exclusion before disclosing any export controlled materials to Northwestern Departments/schools with specific questions should contact [the Office of Export Controls Compliance](#)
  - o Family Educational Rights and Privacy Act (FERPA) Completion of the Northwestern University FERPA Data Rider is required if the software stores personally identifiable student information Departments/schools with specific questions should contact Information Security Office.
  - o PCI Compliance. Contractors (Third Party Service Providers (TPS)) are required to abide by the requirements of the current Payment Card Industry Data Security Standard (PCI DSS) PCI DSS applies to all entities involved in payment card processing, including merchants, processors, financial institutions, and service providers, as well as all other entities that store, process, or transmit card holder data and/or sensitive authentication data Departments/schools with specific questions should contact Treasury Operations
- x Information Technology Requirements When purchasing software or IT systems, there are several central IT related guiding principles and priorities that must be considered, such as Service Provider Security Assessment, Data Protection Standards, Web Accessibility, etc for more information, review the

- x Please review the following, which is expected to address important information related to the purchasing process as important as this document for more at Northwestern and staff are

- o Preferred Vendor

Preferred Vendor List (PVL) is a list of vendors that are pre-qualified to provide products and services needed by Northwestern departments/schools on a regular basis. Departments/schools are strongly encouraged to utilize Preferred Vendors because they have been determined to represent the best value for the University.

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## M. CONTRACT REVIEW AND SIGNATURE AUTHORITY

A contract can be required for a variety of reasons including not limited to a multi-year term, level of risk, and amount of contract. Purchasing can help you determine when a contract is necessary to mitigate any risks to your department.

x OGC Review. Contracts for the purchase of goods or services by Northwestern MUST be sent to the OGC for review ONLY if they fall into one of the following categories:

- o Contracts worth more than \$100,000 in total spend or spend per year (for a multi-year contract)
- o Contracts with particularly sensitive or materially risky subject matter or terms. Examples of sensitive or risky contracts and terms include, but are not limited to:

confidential information, proprietary materials, or human biological samples. This includes contracts with vendors that:

- store, manage, or process Northwestern sensitive / confidential information (such as personally identifiable information of employees, students, research participants) through an internet-based application or platform hosted by the vendor; and
- provide laboratory testing or analysis services for biological samples or data collected from human research subjects.

contracts for the purchase or lease of real property

contracts for the purchase of building remodeling, renovating, construction, architecture, maintenance or other real estate related services

purchase finance transactions (contracts where the University would take on any debt or debt-like obligations, such as capital leases or leases owned contracts);

any contract that must be signed by the Vice President and Chief Financial Officer (ed b\* n BT /F8 10.9)

Subject Matter Expert / Department	Contract Review Responsibility
Northwestern IT	<ul style="list-style-type: none"> <li>x Software licenses</li> <li>x Purchase contracts for related systems or services, including internet based applications</li> <li>x Data / IT system security terms in contracts with vendors that will IT systems, sensitive / confidential information</li> </ul>
Facilities Management	x

## N. USE OF NUFINANCIALS - PURCHASING

Upon conclusion of the bid process, determination of a sole source, and/or establishment of a contract, purchase and payment must be accomplished using NUFinancials.

- x Please review the [Purchasing and Payment Policy Related Procedures](#) document for more important information related to the use of NUFinancials such as:

- o Requesting new vendors by added to NUFinancials

Vendors disqualified by Northwestern Vendors may also be prevented from doing business with Northwestern when evidence of improper conduct exists. This includes,

o Non-Catalog Requisition:

Invoices for non-grant subcontract POs should be sent to AP via email at [invoicesonly@northwestern.edu](mailto:invoicesonly@northwestern.edu). Invoices can also be mailed. The Purchase Order (PUR) number must be on the invoice. Invoices are entered into NU Financials by AP.

- The department/school will be required to enter a purchase order into NU Financials upon receiving the invoice. Invoices over \$10,000 do not require a receipt).

Invoices for grant subcontract POs must be sent to one of the following email addresses as stated in the subcontract agreement (no purchase order required)

- [ASRSPsubkCH@northwestern.edu](mailto:ASRSPsubkCH@northwestern.edu)
- [ASRSPsubkEV@northwestern.edu](mailto:ASRSPsubkEV@northwestern.edu)

x Electronic Payments Northwestern strongly encourages vendors and to accept electronic payments. Visit the [ePayment Solutions website](#) for more information.

x Payment Terms Every Vendor's invoice is due for payment within some period after it is generated. This is normally computed as the number of days after the invoice is received.

the invo000912 q 0.00000912 0 612 792 re W\* n BT /F26( )JBT /F1 10.98 Tf 1 0 0 1 160.82 518.68





#### IV. MISCELLANEOUS

##### R. NON-TRAVEL RELATED EXPENSE REIMBURSEMENT

- x Advancing Personal Funds Departments/schools should select Vendors who accept University POs or Corporate Cards. Individuals should not advance their own funds to purchase supplies and services on behalf of Northwestern. Purchases should be made through established purchasing policy and procedures. In limited instances the department/school or individual may need to pay for an item and be reimbursed. If it is necessary that an employee advance funds to purchase supplies or services for University business, the immediate supervisor must first authorize the purchase. The employee should request reimbursement by completing an Expense Report in NU Financials.
- x Documentation Required Proof of payment and signature of the purchaser and direct supervisor are required on documentation accompanying all requests for reimbursement. Requests will not provide reimbursement for any purchase until complete documentation is provided:
  - o The reimbursement request must be supported by the business purpose of the transaction.
  - o For reimbursements of \$40 or more the original itemized receipt issued by the Vendor is required:
    - If no receipt is available, attach a policy exception form (a cancelled check or credit card statement may also be attached)
    - Other clearly validated proof of payment, including written approval from the immediate supervisor verifying receipt of goods or services may be accepted.
- x Reimbursement for Taxes Since Northwestern is exempt from paying Sales and Use taxes, these taxes are generally not reimbursable when an employee has extended personal funds for the purchase. Head, in cases where it can be clearly demonstrated that the purchase payment of tax was unavoidable or an emergency. This should be rare.

##### S. RECORD RETENTION







## Contacts

The following individuals can address questions regarding this policy:

Officer	Phone	Current Email
Assistant Vice President, Procurement and Payment Services	(847) 4918121	<a href="mailto:j-konrad@northwestern.edu">j-konrad@northwestern.edu</a>
Manager, Accounts Payable	(847) 4912781	<a href="mailto:g-ernsteen@northwestern.edu">g-ernsteen@northwestern.edu</a>
Manager, Corporate Card Program	(847) 4915340	<a href="mailto:m-hallissey@northwestern.edu">m-hallissey@northwestern.edu</a>
Manager, Vendor File Management	(847) 4915338	<a href="mailto:e-gladic@northwestern.edu">e-gladic@northwestern.edu</a>
Manager, Logistics	(847) 467-7473	<a href="mailto:reginald.lee@northwestern.edu">reginald.lee@northwestern.edu</a>
Director, Service Delivery and Special Projects	(847) 4676963	<a href="mailto:k-paddy@northwestern.edu">k-paddy@northwestern.edu</a>
Executive Director, Accounting Services for Research and Sponsored Programs	(847) 4914716	<a href="mailto:lashawnda.hall@northwestern.edu">lashawnda.hall@northwestern.edu</a>
Controller, Office of Financial Operations	(847) 4914722	<a href="mailto:nicole.vanlaan@northwestern.edu">nicole.vanlaan@northwestern.edu</a>

## History

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Effective upon issuance, the information herein