

Vermont State Colleges System (VSC)

Purchasing Procedures

Companion Procedures to Policy 429 | Workday Finance
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Table of Contents

Table of Contents	2
1. Purpose and Applicability	4
2. Definitions.....	4
3. Roles and Responsibilities	4
4. Competitive Bidding Procedures	5
5. Workday Requisition Process	5
6. Purchase Orders (POs)	6
6.1 Change Orders	6
7. Travel & Hospitality (Spend Authorizations & Expense Reports)	6
7.1 Rates & Restrictions.....	6
8. Software, Hardware, and Related Computing Purchases.....	7
9. Grant-Funded Purchasing (Uniform Guidance)	7
10. Purchasing Card (P-Card) Procedures.....	7
10.1 Purpose and Allowable Use.....	7
P-Cards are issued to a limited number of authorized employees for the following business purposes:.....	7
10.2 Prohibited P-Card Use	8
10.3 Spend Authorization Requirement.....	8
10.4 Expense Report & Reconciliation Requirements.....	8
10.5 Receipt and Documentation Standards	9
10.6 Grant-Funded Travel.....	9
10.7 Emergency P-Card Use.....	9
10.8 Compliance, Monitoring, and Consequences.....	10
11. Petty Cash.....	10
11.1 Requesting Petty Cash.....	11
11.2 Completing the Purchase	11
11.3 Returning Change and Documentation.....	11
11.4 Recording and Replenishment.....	11
12. Full-Time Faculty Professional Expenses	11
13. Invoice Processing & Matching	12
14. Compliance & Monitoring.....	12

1. Purpose and Applicability

These procedures operationalize Policy 429 within Workday Finance to ensure compliant, efficient, and transparent procurement across the Vermont State Colleges System (VSC). They apply to all purchases of equipment, goods, services, travel, and hospitality, regardless of funding source, unless explicitly exempted by this document or other governing policies (e.g., real estate, capital construction, legal counsel).

2. Definitions

Requisition: The purchase request initiated in Workday to begin the procurement process.

Purchase Order (PO): The official authorization generated by Workday and issued to a supplier.

Spend Authorization: Pre-approval in Workday required for all travel and hospitality expenses.

P-Card: VSC-issued purchasing card for approved travel/hospitality transactions.

Grant Manager / PI: The responsible individual approving grant-funded purchases for allowability and allocability.

Uniform Guidance: Federal procurement standards in 2 CFR Part 200 applicable to federal grant funds.

3. Roles and Responsibilities

The following table outlines primary responsibilities; institutions may add local steps without reducing required controls:

Role	Primary Responsibilities	Key Workday Touchpoints
Requester / End User	Initiates requisitions and spend authorizations; obtains quotes; uploads documentation; receives goods/services; confirms receipt; reconciles P-Card.	Create Requisition; Create Receipt; Create Expense Report; Supplier Request
Cost Center/Budget Manager	Approves business purpose and funding; ensures budget availability; monitors spend against plan.	Approve Requisition; Approve Expense
Business Office	Validates documentation; conducts or validates competitive bidding; issues POs; manages contracts;	Review Requisition; Issue PO; Create/Amend Contract

	manages declining balance cards (FPE).	
Information Technology	Reviews/approves hardware, software, SaaS; ensures cybersecurity and integration compliance.	Initiate Requisition/Contract
Grant Manager / Sponsored Programs	Confirms allowability/allocability; ensures Uniform Guidance compliance; retains sponsor approvals.	Grant Approval on Requisition/Expense
Accounts Payable	Processes supplier invoices; supplier set-up; maintains supplier records; performs 2/3-way match; resolves exceptions; issues payment; administers P-cards.	Create Supplier Requests and Invoices; Match Exceptions; Payables Workbench

4. Competitive Bidding Procedures

Except for purchases using federal funds, all purchasing must follow the appropriate competitive method based on total transaction value (including options and renewals):

Total Purchase Amount	Minimum Requirement	Documentation to Upload in Workday
Under \$25,000	Informal quotes encouraged; at requester discretion.	Quote(s) or pricing screenshot (recommended); business justification.
\$25,000 – \$100,000	Minimum three written quotes.	Three quotes; summary comparison; selection rationale.
Over \$100,000	Formal competitive process (RFP/RFQ) led by Procurement.	RFP/RFQ, evaluation matrix, award memo, any negotiations.

Sole-source procurement is permitted only when competition is not feasible (e.g., unique goods, compatibility, emergency). A Sole Source Justification must be completed within the requisition and approved by the Chief Business Officer (CBO) or designee.

Purchases using federal funds must follow the thresholds in Section 9.

5. Workday Requisition Process

All purchases must begin with a **purchase requisition** submitted through **Workday**. **The only exceptions to this requirement are travel and hospitality expenses**, which will be handled through the Spend Authorizations and Expense Report process (see Section 7). Requisitions

must be fully approved before placing any order. To submit a requisition, you must know the item details (description, quantity, unit price), the supplier, and the relevant worktags to assign the expense to the correct cost center and spend category. Step by step instructions on how to submit a requisition will be provided in Workday job aids.

Workday performs a real-time budget check on submission. If funds are insufficient, the requisition will not route to approvers. The requester must reduce scope, change worktags, or coordinate a budget transfer before resubmitting.

6. Purchase Orders (POs)

Upon final approval, Workday generates and issues a PO to the supplier. No work may begin and no goods may ship prior to supplier receipt of a valid PO. Invoices must reference the PO number.

6.1 Change Orders

If scope, quantity, or price change after PO issuance, a PO Change Order may be required. Change Orders require the same level of approval as the original requisition when dollar thresholds or funding change.

7. Travel & Hospitality (Spend Authorizations & Expense Reports)

VSC policy allows the use of personal credit cards or P-cards for travel and hospitality expenses only. Those expenses require pre-approval via Spend Authorization and post-travel Expense Reports with itemized receipts.

To submit a Spend Authorization, you must have information about the trip/business event, including dates, destination, and estimated costs. Workday will route the request to the appropriate cost center manager for approval. A Spend Authorization must be approved prior to incurring expenses.

Once the trip or event has concluded, you must create an expense report and link it to the approved Spend Authorization. Itemized receipts will be required for each expense line. Expense Reports must be submitted by the deadline published by the Business Office for reimbursement.

Step by step instructions on how to submit a Spend Authorization and Expense Report will be provided in Workday job aids.

7.1 Rates & Restrictions

Lodging, meals, and incidentals are reimbursed up to GSA per diem rates for the travel location and date. Alcohol is not reimbursable per VSC policy. Please refer to the policy for more information. Mileage is reimbursed at the IRS rate; standard commuting miles must be deducted.

8. Software, Hardware, and Related Computing Purchases

All technology purchases require Information Technology (IT) to initiate a requisition. To initiate a requisition with IT, submit a helpdesk ticket including relevant details for the purchase, such as the number of licenses, data storage/processing elements, vendor security documentation, and any integration requirements. IT will review your request for consistency with system-wide standards, accessibility, data privacy, and cybersecurity interoperability, and cybersecurity and related activities. If approved, IT will submit a Workday requisition.

9. Federal Grant-Funded Purchasing (Uniform Guidance)

Federal grant-funded purchases must comply with VSC policies, sponsor terms, and Uniform Guidance. The requisition must identify the grant worktag and include a statement of allowability and allocability, plus any required prior approvals.

Federal Threshold	Method	Documentation
≤ \$15,000 (micro-purchase)	Micro-purchase; distribute equitably among qualified suppliers when practicable.	Pricing reasonableness (catalog, quote, or prior competition).
\$15,001 - \$250,000 (simplified)	Obtain price or rate quotations from an adequate number of qualified sources.	At least 3 quotes (unless sole source); basis of selection.
> \$250,000 (sealed bids/RFP)	Formal procurement (sealed bid or competitive proposal).	RFP, evaluation matrix, conflict of interest disclosures, award memo.

Sole-source under federal awards requires one of the federally permitted justifications (e.g., single source, public emergency, explicit authorization, or inadequate competition) and must include conflict-of-interest safeguards. Sponsor prior approval may be required for certain purchases (e.g., capital equipment not in the approved budget).

Expense Reports should include itemized receipts, including any applicable conference agendas when conference fees are charged to the grant.

10. Purchasing Card (P-Card) Procedures

The VSCS P-Card Program supports official business travel and hospitality purchases only, in accordance with Policy 429.

10.1 Purpose and Allowable Use

P-Cards are issued to a limited number of authorized employees for the following business purposes:

- Airfare and commercial transportation for business travel
- Lodging for approved business travel

- Rental cars and related fuel (for rental vehicles only)
- Ground transportation (taxi, rideshare, public transit, shuttle)
- Conference and professional registration fees
- Travel meals within allowable per diem limits
- Hospitality meals and events **with pre-authorization** under Policy 429P-Cards are intended to streamline payment for these categories only. They are **not** a substitute for requisitions or purchase orders.

10.2 Prohibited P-Card Use

The following purchases are **strictly prohibited** on a P-Card:

- Goods, equipment, supplies, software, or hardware
- IT purchases, subscriptions, cloud services, SaaS, or licenses
- Gift cards or cash equivalents
- Alcoholic beverages
- Personal purchases of any type
- Services requiring a contract or PO
- Any purchase requiring competition or quotations under Section 4
- Any purchase that should be made through a requisition or PO

10.3 Spend Authorization Requirement

All travel and hospitality expenses charged to a P-Card must be tied to an **approved Spend Authorization** submitted **before** incurring the expense.

A Spend Authorization must include:

- Business purpose
- Travel dates and destination
- Estimated costs
- Funding worktags
- Required grant approvals (if applicable)

The Spend Authorization routes to the Cost Center/Budget Manager (and Grant Manager if needed) for approval.

10.4 Expense Report & Reconciliation Requirements

All P-Card transactions post automatically to Workday via the daily bank feed. Cardholders must:

- Create an Expense Report in Workday
- Link the Expense Report to the approved Spend Authorization
- Verify each imported transaction
- Attach **itemized** receipts for every transaction

- Apply accurate worktags (Cost Center, Fund, Program, Grant, Project, Spend Category)
- Split transactions if multiple funding sources are used by using the itemize button
- Expense Reports must be submitted monthly by the deadline published by the Business Office

Budget Managers must complete all approvals by month-end.

10.5 Receipt and Documentation Standards

Receipts must be:

- Itemized
- Legible
- Reflecting proof of payment
- Matched to the transaction amount

Examples of required documentation:

- Airline e-ticket receipt / itinerary
- Itemized hotel folio (personal charges removed and paid personally)
- Rental car agreement and final invoice
- Itemized meal receipts and, where relevant, attendee list and business purpose
- Conference agenda and registration confirmation

A Missing Receipt Affidavit may be used only if a duplicate cannot be obtained.

10.6 Grant-Funded Travel

When travel is charged to a sponsored program:

- All expenditures must comply with **Uniform Guidance (2 CFR 200)**
- Allowability, allocability, and reasonableness must be documented
- Grant Manager approval is required on the Spend Authorization and Expense Report
- Conference agendas and detailed receipts must be attached
- Sponsor-specific restrictions take precedence when stricter

Non-compliant charges may be transferred to another funding source.

10.7 Emergency P-Card Use

In rare circumstances, a P-Card may be used for emergency purchases when:

- The need is urgent and cannot wait for a requisition/PO, **and**
- Prior approval is obtained from the **Chief Business Officer (CBO) or designee**

Emergency documentation must be attached to the Expense Report.

10.8 Compliance, Monitoring, and Consequences

The Business Office will monitor P-Card activity using Workday reporting. Violations include:

- Personal or non-allowable purchases
- Missing or inadequate documentation
- Late submission of Expense Reports
- Unapproved travel
- Transaction splitting or miscoding
- Unsupported grant-funded charges

Consequences may include:

- Return of funds to VSCS
- Suspension or revocation of P-Card privileges
- Disciplinary action up to and including termination
- Reporting under fraud policies where applicable

11. Petty Cash

A VSC institution may opt to implement a petty cash system, provided the institution adopts operating procedures to implement and document how requests will be made, transactions documented, and replenishments will be approved.

Petty cash may only be used for **minor, incidental expenses** that support official VSC business, such as:

- Small office supplies needed immediately
- Low-cost materials for student or departmental activities
- Local postage or shipping under \$25
- Emergency purchases that cannot reasonably wait for a PO or P-Card

Petty cash may not be used for:

- Travel, meals, lodging, or hospitality (must be processed through Spend Authorization and Expense Report)
- Equipment, software, or services requiring IT approval
- Personal items of any kind
- Gifts, gift cards, or awards (must follow Policy 429 Section 11)

The following dollar limits shall apply to all petty cash transactions:

- **Maximum per transaction:** \$50
- **Maximum per person per day:** \$50
- Larger purchases must follow standard Workday purchasing processes.

12. Full-Time Faculty Professional Expenses

Eligible full-time faculty receive a declining balance purchasing card for professional expenses. Receipts must be retained for two years. Failure to produce receipts upon request may result in card revocation. In the event a card is revoked, the faculty member will use their personal credit card or cash for purchases of professional expenses and may request reimbursement through the expense report process.

13. Invoice Processing & Matching

Supplier invoices must reference the PO and are processed by Accounts Payable. For goods, three-way match (PO, receipt, invoice) is required; for services, three-way match (PO and invoice) may be used. Exceptions route to Requester/Buyer for resolution.

14. Compliance & Monitoring

The Business Office conducts periodic reviews using Workday reporting. Non-compliance may result in delayed payments, revocation of purchasing privileges, or disciplinary action. Conflict-of-interest, kickbacks, and favors from vendors are prohibited.