

Getting Started

There are three main categories of information in this Buying Manual:

1. Topics of interest to all individuals initiating a transaction on behalf of the university
2. Transactions that do not require a purchase order
3. Transactions that require a purchase order

We recommend that everyone read the [General Information](#) section, which covers topics for every person at Cornell who initiates transactions. Included in this section is the topic [Requirements for Vendor Selection and Order Creation](#), which outlines the requirements for placing orders through Cornell's e-procurement tool (e.g., e-SHOP) and for utilizing preferred suppliers.

If you are initiating a purchase where authority for review and approval of that good or service has been [delegated to a specialized unit](#) (for example, a real estate transaction) or for [tangible goods that do not require a purchase order](#) or for travel, see [Paying for Goods and Services that Do Not Require a Purchase Order](#). This section includes information on non-purchase order payment methods that may be utilized (e.g., procurement card, direct payment by check or electronic equivalent method, and payment options for business travel).

If you determine that a purchase order is necessary, refer to [The Purchase Order Process](#), which describe the types of purchase orders available, the requirements for bidding, and additional requirements that apply to certain goods, services, and sources of funds. Please also note the section on [Purchases with Special Procedures](#), which include certain sensitive goods and services and orders that are funded by New York State appropriated funds.

The section on [Procurement Programs](#) is also of interest to everyone because it explains the areas in which Procurement Services has proactively developed progressive programs. These include commitments to supplier diversity and programs that support the university's goals in environmental sustainability.

Recommended Steps

1. Please ensure that your intended purchase is an allowable business expense for which University funds may be expended under [University Policy 3.14, Business Expenses](#).
2. Determine if the good or service that you want to purchase is covered by a [preferred or contract supplier agreement](#).
3. If Procurement and Payment Services has negotiated an agreement with a supplier for the good or service (commodity) that you are purchasing, then you should purchase that commodity from the preferred supplier. Otherwise, you are encouraged to shop for best price and consider the discounts available from contract suppliers. Please refer to the supplier utilization hierarchy in [Section 102](#).
4. Determine the appropriate procurement method. To assist you in making the determination, refer to the Procurement Decision flowchart in [Section 200](#).
 - a. If the supplier is available in e-SHOP, then begin your requisition in e-SHOP as it simplifies the data entry and ensures you receive Cornell's discounted pricing.
 - b. If the vendor is not available in e-SHOP, then you must determine whether the purchase is eligible for payment via pcard or disbursement voucher (DV). Please reference prohibited pcard transactions ([Section 302](#)) and direct payment via DV ([Section 203](#)).
 - c. If not eligible for purchase via pcard or DV, then you must use a purchase order (PO).
 - i. If the good or service that you wish to purchase is not covered by a preferred or contract supplier agreement, then utilize the Find a Supplier search feature in [Spend Viz](#) to determine if an existing supplier provides the commodity.
 - ii. If a supplier is not available in KFS, then you may request a new supplier.

5. In situations where a preferred supplier agreement does not exist and the purchase amount exceeds the formal bid limit of \$25,000, a vendor is selected through competitive bidding, unless an appropriate justification and an alternative method of selection are specifically authorized by a Procurement Agent (refer to [Section 400](#)).

Authorized Business Expense

Prior to reviewing this manual, please ensure that your intended purchase is an allowable business expense for which University funds may be expended. [University Policy 3.14, Business Expenses](#), provides guidelines for identifying expenses that may be charged to various University accounts and ensuring compliance with federal, state, and local regulations while supporting the University's missions of education, research and public service. Prior to initiating a transaction, review [University Policy 3.14](#).

If you have questions related to whether or not your intended purchase is allowable, contact your unit business manager or business service center prior to initiating the purchase.

Legal and Ethical Conduct

Purpose:

It is the policy of Cornell to comply with all laws governing its operation and to conduct its affairs in keeping with the highest moral, legal and ethical standards.

Compliance with the law (including anti-bribery and antitrust laws and other applicable regulatory law) means not only following the law but so conducting Cornell business that Cornell will deserve and receive recognition as a good and law-abiding citizen, alert to its responsibilities in all areas of good citizenship. Even where the law does not apply, applicable standards of ethics and morality relate to our activities and require the same diligence and attention to good conduct and citizenship.

Illegal and unethical practices include engaging in price fixing arrangements; bid rigging acts; agreements with competitors to divide or allocate markets or customers; falsifying of accounting records; intentional misrepresentations to the University's auditors; bribery; illegal kickbacks; or illegal political contributions.

Conflict of Interest:

Loyalty and the practice of good business ethics are a part of the obligation of employees to their employer. One aspect of this is the requirement that an employee refrain from engaging in personal activities which injure or take advantage of the University. Employees are prohibited from using their position at the university to realize a personal profit.

Per University Policy 4.14, "a conflict of interest may arise when an individual has the opportunity to influence the university's business, administrative, academic, or other decisions in ways that could lead to personal gain or advantage of any kind." Conflict of interest is most likely to occur when the Cornell employee is employed for personal gain by another firm, directly or as a consultant; has a direct financial interest in another firm; has an immediate family financial interest in another firm; or is a director or officer of another firm.

For additional information please see [University Policy 4.6, Standards of Ethical Conduct and University Policy 4.14, Conflicts of Interest, which specifies the](#) reporting requirements and responsibilities for review.

All individuals initiating transactions on behalf of the university should report any conflict of interest in accordance with policy and college or administrative unit requirements. Upon full reporting, the university may approve a transaction or affiliation, provided that the conflict can be managed.

Gifts:

Mutual respect between supplier and buyer has always been and always will be an important factor in business. It is to be encouraged between two parties where it can be of advantage to both. There is nothing questionable or unethical in lunching with a supplier, either to give the salesperson a better opportunity to present his or her case or to cultivate a business relationship, provided the employee accepts such intentions as they would from any other person and keep themselves free from obligation. Employees must not become obligated to any supplier and shall not participate in any transaction in which they may personally benefit. No gifts, beyond those of an advertising nature and insignificant value, generally distributed to all potential customers, may be accepted by any Cornell employee.

Gifts received, which are unacceptable according to this policy, shall be returned to the donors.

Entertainment:

Cornell employees shall not accept purely social entertainment offered or sponsored by suppliers.

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Entertainment is not construed to mean an occasional business meal or a function where Cornell stands to benefit from the supplier association.

Code of Ethics:

All individuals initiating transactions on behalf of the university have requirements relating to their interaction with, and selection of, vendors. Employees must be careful not to become obligated to any supplier and must not participate in any transaction in which they may personally benefit. See paragraph above on gifts. Personal purchases that utilize the university's discount or sales tax exemption are not allowed. (Note: Some vendors offer discounts to Cornell employees for personal purchases. See Human Resources Perks web page at <https://www.hr.cornell.edu/benefits/perks.html> for a complete list.) All individuals initiating transactions on behalf of the university will review and comply with the "Legal and Ethical Conduct" section of this Manual, and with the National Association of Educational Procurement Code of Ethics which is in [University Policy 3.25, Procurement of Goods and Services](#), Appendix E.

Purchases / Rebates / Free Merchandise:

If a vendor offers free merchandise or a rebate with purchase, that merchandise or rebate is the property of Cornell University. Rebates will be returned to the account that was utilized to pay for the purchase. Free merchandise will be turned over to the unit's director/department head for appropriate distribution (e.g., departmental use, drawing for all faculty/staff, charitable donation).

University Purchases for Employees

Agents in Procurement and Payment Services (Procurement) and other agents of the university are not permitted to make personal purchases for employees. An enterprise has been established for the sole purpose of acting as a distributor for the specified equipment or material for resale to individuals, e.g., [Technology Connection](#), a division of Cornell Business Services. In cases where agents in Procurement have negotiated contracts with suppliers that include [employee discounts for personal purchases](#), these purchases are to be made by the individual employee with personal funds. For a complete listing of discounts available to the community, please visit the [HR Web site for Benefits / Perks](#).

Requirements for Vendor Selection and Order Creation

Authority for the review and approval for most purchases at the university is the responsibility of Procurement and Payment Services (Procurement). Exceptions are discussed later in this document.

One of the services that Procurement provides for the campus is the negotiation of supplier agreements – both preferred and contract. [University Policy 3.25, Procurement of Goods and Services](#), states “In many cases, suppliers are preselected based on campus input, screened, and negotiations have already been conducted, resulting in preferred supplier agreements. Where such agreements exist, units must procure goods and services from these preferred suppliers regardless of dollar amount or procurement method.”

What does this policy mean for the units?

First, determine if the good or service that you want to purchase is covered by a preferred or contract supplier agreement.

Second, refer to the supplier utilization hierarchy below to aid you in selecting a supplier.

- If Procurement has negotiated a preferred supplier agreement with a supplier for the commodity (good or service) that you are purchasing, then you must purchase that commodity from the preferred supplier.
- You are encouraged to review the discounted pricing available from contract suppliers, but are not required to use the contract supplier.
- For items that are not covered by preferred or contract supplier agreements and for purchases below the \$25,000 bid limit, you are encouraged to shop with local or diverse suppliers and to review the suppliers in e-SHOP as part of your comparison shopping.

Supplier Type	Definition	Unit Spending Goal
Preferred suppliers	A supplier with whom Procurement Services has negotiated and/or implemented a university-wide agreement and that Procurement Services endorses as the “best overall value” in providing products, services, delivery, and customer service. These suppliers have participated in a competitive bid and negotiation process, were selected because they meet criteria established by commodity teams comprising campus users. Where agreements with a specific supplier exist for a good or service (commodity), units must procure those goods and services from these preferred suppliers.	80%
Contract suppliers	A supplier who has participated in a competitive bid process and agreed to Cornell’s terms and conditions. We encourage you to use these contracts to take advantage of price discounts.	
Local suppliers	A business located in Tompkins County or adjacent counties.	20%
Diverse suppliers	Any business concern that is at least 51 percent owned by a woman, minority, veteran, or LGBTQ, who are U.S. citizens and whose management and daily business operations are controlled by one or more of such individuals.	

Third, determine the appropriate procurement method. If the supplier is available in e-SHOP, then begin your requisition in e-SHOP as it simplifies the data entry and ensures you receive the discounted pricing.

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If the vendor is not available in e-SHOP, then you must determine whether the purchase is eligible for payment via pcard or disbursement voucher (DV). If not eligible for purchase via pcard or DV, then you must use a purchase order (PO). To assist you in making the determination, refer to the Procurement Decision flowchart in [Section 200](#). Please reference prohibited pcard transactions ([Section 302](#)) and direct payment via DV ([Section 203](#)).

In situations where a preferred supplier agreement does not exist and the purchase amount exceeds the formal bid limit of \$25,000, a vendor is selected through competitive bidding, unless an appropriate justification and an alternative method of selection are specifically authorized by a Procurement Agent (refer to [Section 400](#)).

Relationships with Vendors

The highest standards of business ethics and conduct should be applied by all Cornell employees to relations with suppliers. When making decisions affecting suppliers, employees shall not obligate either themselves or the university to a supplier. In conducting business with suppliers, employees are also expected to act fairly and objectively and in the best interests of the university. Fairness to suppliers is promoted by the following means:

- By giving all salespersons a fair, prompt and courteous hearing on any subject that is justified by the nature of their products or services.
- By keeping competition open and fair.
- By discouraging revisions of bids after submission and insisting on receiving the best price initially and holding the bidder to it.
- By keeping buying specifications fair and clear and not including impractical or unnecessary specifications.
- By showing consideration for the suppliers' difficulties and cooperating with them to the fullest extent possible.
- By not soliciting quotes from potential supplier unless we are willing to use that supplier should the offer be acceptable in quality, price, delivery terms and service. Qualifications of a supplier will be determined before a quotation.
- By not bargaining with suppliers. Ensure that each bidder's quoted price is compared with other bids submitted under the same conditions.
- By keeping prices confidential and not divulging those prices to competitors.

In cases when the appropriate Procurement Agent is not already providing the communication interface with suppliers, employees should consult with Procurement if questions arise relative to these guidelines.