

August 26, 2011

MEMORANDUM

TO: Deans, Directors, and Department Heads

FROM: Charles D. Leffler
Vice Chancellor for Finance and Business

SUBJECT: Purchases from Employees

The Agency Purchasing Manual of the Purchasing Division of the North Carolina Department of Administration addresses purchases from and through employees of a state agency in the following manner:

PURCHASING FROM OR THROUGH AN AGENCY EMPLOYEE:

Every reasonable effort shall be made to avoid making purchases from or through employees of any agency. Prior written approval from the State Purchasing Officer (SPO) is required in instances which may develop when doing business with such personnel. In deciding whether to grant approval, the SPO shall consider the type item or service needed, the prevailing market conditions, whether competition is available, the cost involved, and the effects of doing business with the employee (see link to Department of Administration below).

http://www.doa.state.nc.us/PandC/agpurman.htm#P641_67615

To obtain SPO approval, a request must first be submitted to the University Purchasing Department for preliminary approval. If approved, Purchasing will forward the request to the SPO for final approval. No voucher to pay an employee as a supplier will be processed by the Controller's Office unless the required approval from the SPO has been granted.

Unless prior approval is granted by the State Purchasing Officer, a current University employee or an outside company with whom a current employee is associated with cannot be compensated for services by the University as an Independent Contractor.

The independent contractor's checklist and requirements can be found at http://www.ncsu.edu/human_resources/employment/contractor.php . Status as an independent contractor should not be requested for a previous employee unless the services to be provided are different than the responsibilities the person had as an employee, and the employee has been separated from the University for at least 12months. A copy of the independent contractor's checklist should be included as supporting documentation for the payment.

If you have any questions or comments, please contact Milburn Holbrook at 515-3823 (milburn_holbrook@ncsu.edu) or Blain Woods at 515-6885 (blain_woods@ncsu.edu).

cc: Steve Keto, Associate Vice Chancellor for Finance and Resource Management
University Finance Officers