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MEMORANDUM:

TO: University Business Officers

FROM: Jeffrey J. West, Associate VP for Financial and Business Services

SUBJECT: Small Dollar Purchases

DATE: March 30, 2007

Departments currently have many options available for purchasing small dollar items (i.e., less than \$5,000). These include purchasing cards, limited purchase orders (LPO), and limited purchase checks (LPC). Campus orders may be used for on-campus purchases. Reimbursements can be made through Check Requests. A comparison of the various procurement methods, with applicable restrictions and links to policies, may be found at the following web address:

<http://www.ap.admin.utah.edu/PaymentMethod.pdf>

Each method has its own unique advantages and disadvantages. In some cases, policy restricts a particular procurement to a specific methodology. However, in situations where multiple procurement methods are available for small dollar items, *we encourage departments to use the purchasing card as the preferred method. In fact, we would like to reduce our reliance on the LPOs and LPCs, where it is possible and practical to do so.* Why? Generally speaking, transactions that can flow through the system electronically from start to finish are less costly, and more efficient, than those involving traditional paper-based methods.

If you are not currently using purchasing cards for small dollar transactions, we invite you to visit the Purchasing Department's website to learn more about this program. Their web address is:
<http://www.purchasing.utah.edu/pcard/index.html>.

As we continue our efforts to make business processes more efficient and less costly, we welcome your feedback. In particular, if there are barriers to using a more efficient process – either because of the process itself or because of policy limitations – we would appreciate your comments and input so that we can continue to improve the processes and the way they are administered. To assist you, we have now included a “[feedback](#)” link on all Financial and Business Services websites. Your ideas and suggestions are very important to us and we hope you’ll find this a valuable tool.

If you have questions regarding procurement or payment processes, we encourage you to contact either the Purchasing or the Accounts Payable department. Either can assist you in selecting the most optimal method for your particular situation.