



BOARD OF REGENTS

College of the Marshall Islands

Accredited by the Western Association of Schools and Colleges

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Majuro, Marshall Islands, MH 96960

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COLLEGE OF THE MARSHALL ISLANDS

BOARD RESOLUTION-No: 2024 - 011

“A RESOLUTION TO APPROVE THE REVISED PURCHASING AND ACCOUNT PAYABLE POLICY”

WHEREAS, the College of the Marshall Islands’ Finance, Risk and Assessment Committee recommend to the CMI Board of Regent of the College the recommended revision to the *Purchasing and Accounts Payable*; and

WHEREAS, the College shall develop appropriate procedures to support and enhance the implementation of the new changes; and

WHEREAS, the College of the Marshall Islands shall continuously provide necessary trainings for the CMI staff that are responsible for the proper implementation of the policy; and

NOW, THEREFORE, BE IT RESOLVED:

That the Board of the College of the Marshall Islands accepts the Proposed Changes to the Revised Purchasing and Accounts Payable Policy attached.

I, **Marie Maddison**, Acting Chair of the Board of the College of the Marshall Islands, do hereby certify that the above is a true and correct copy of a resolution adopted at the meeting of the Boards College of the Marshall Islands on September 16, 2024 at which a quorum was present and voted.

Marie Maddison
Acting Chair, Board of Regents
College of the Marshall Islands

**CMI****College of the Marshall Islands**

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CMI Governance Policy #270: Purchasing and Accounts Payable Policy

Status: Active
Effective Date: October 1, 2023
Approval Date: September 16, 2024

Policy Statement

The College of the Marshall Islands (CMI) is committed to ensuring responsible and transparent financial management through the implementation of policies and procedures that govern the approval, acquisition, storage, disposal, tracking, and recording of all assets. These processes must be compliant with the Republic of the Marshall Islands (RMI) Procurement Code, RMI Regulations, and U.S. Federal Uniform Guidance on Administrative Requirements, Cost Principles, and Audit Requirements for U.S. Federal Awards.

All equipment, goods, and services acquired by the College from external sources must be purchased through the Purchasing Department. Requests for products or services should be directed to the Procurement Officer. No commitments are to be made with any vendor without a purchase order issued by the Purchasing Department.

Personal use of College resources, including equipment, goods, or services, is strictly prohibited. All purchases must be made for institutional purposes only. The College's credit card is designated for official travel expenses and off-island purchases. The use of personal credit cards for College-related expenses is not permitted unless pre-approved by the Vice President for Business and Administration Affairs (VPBAA) or the President.

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Policy Purpose

This policy aims to enhance efficiency and strengthen internal controls within CMI's financial operations, promoting cost-effectiveness and compliance with applicable regulations. The guidelines outlined here support the College's goal of optimizing procurement practices, reducing unnecessary delays, and ensuring fiscal responsibility.

Purchasing Guidelines

Purchasing guidelines vary according to the dollar value of the transaction, categorized into three tiers:

1. Micro Purchases

- **Federal Grant (Restricted) Funds:** Less than \$10,000
- **CMI General (Unrestricted) Funds:** Less than \$3,500
- **The following are the Guidelines:**
 - i. For purchases using federal grant (restricted) funds under \$10,000, it is not required to document price comparisons as long as the expense is reasonable. This means the cost should align with what a prudent person would pay in similar circumstances.
 - ii. For purchases using CMI general (unrestricted) funds under \$3,500, documented price comparisons are also not required, provided the expense is reasonable and consistent with what a prudent person would expect to pay.
 - iii. It's important to note that splitting purchases to stay under the \$10,000 threshold is prohibited. Additionally, CMI policy mandates that a purchase order be obtained for any purchase exceeding \$3,500.

2. Small Purchases

- **Federal Grant (Restricted) Funds:** \$10,000 - \$50,000
- **CMI General (Unrestricted) Funds:** \$3,500 - \$25,000
- **The following are the Guidelines:**
 - i. For small purchases with federal grant funds (over \$10,000), you must get price quotes from several qualified vendors. This helps ensure you're getting a fair price. This process is simpler compared to the detailed steps needed for larger purchases over \$50,000.
 - ii. For small purchases using CMI general funds (over \$3,500), you also need to get quotes from multiple vendors. This ensures competitive



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pricing but skips the more formal procedures needed for larger purchases over \$50,000.

3. Large Purchases

- **All Funds (Federal and CMI):** More than \$50,000
- **The following are the Guidelines:**
 - i. Formal procedures for obtaining and evaluating price quotations are required. Competitive proposals or sole-source procurement are acceptable methods, following the U.S. Federal Uniform Guidance and RMI Procurement Code.

For large purchases over \$50,000 using federal grant funds, you'll need to follow more detailed steps to obtain and review price quotes. This ensures that we get the best value and meet all necessary regulations.

Bid Methods for Large Purchases:

1. **Competitive Proposals:** For most large purchases, you should seek proposals from several vendors. This helps us compare different options and choose the best one.
2. **Sole Source Procurement:** If only one vendor can provide what we need, you can choose them, but you must explain why they are the only option.

These methods apply to non-construction projects. For construction projects, different rules apply, including using sealed bids. You can find more details on these in the Uniform Guidance and the CMI Procurement Manual.

Procurement Process for Large Purchases

For large purchases, the Financial and Administrative Business Services (FABS) Director will develop a Request for Proposal (RFP) or Bid Announcement based on information from the Chief of Procurement or relevant Department Head. The RFP will be distributed to vendors and may be advertised locally and internationally. The CMI Bid Committee, composed of the VPBAA, Executive Vice President (EVP), Vice President for Academic and Student Affairs (VPASA), Chief of Procurement, and FABS Director, will evaluate bids to select the appropriate vendor. The final approval will be granted by the President.

Definitions

- **Micro Purchases:** Acquisitions of less than \$10,000 (federal funds) or \$3,500 (CMI funds).
- **Small Purchases:** Acquisitions between \$10,000 and \$50,000 (federal funds) or between \$3,500 and \$25,000 (CMI funds).



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- **Large Purchases:** Acquisitions exceeding \$50,000 for all funds.

Cross References

- RMI Procurement Code
- RMI Procurement Regulations
- U.S. Federal Grant OMB Circular
- CMI Year-End Closing Policy

Responsible Officers

- Vice President for Business and Administration Affairs (VPBAA)
- Director of Financial and Administrative Business Services (FABS)
- Chief of Procurement
- Accounts Payable Accountant
- Department Heads

Key Offices Involved in Implementation

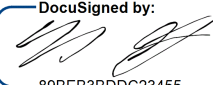
- Office of the VPBAA
- FABS Director's Office
- CMI Business Office

Procedures or Forms

Details on procedures or forms related to this policy are maintained by the Purchasing Department and are available upon request.

Date of Initial Policy:

Date(s) of Revisions: December 1, 2021; May 14, 2024

DocuSigned by:

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Dr. Elizabeth K. Switaj

September 16, 2024

Date