

Back Order	Items ordered but not shipped due to a stockout or some other reason.
Best Buy	A term used to imply that a purchase represents an overall combination of quality, price and various elements of required service that in total are optimal relative to the business's needs.
Best Value	An award that optimizes quality, cost and efficiency that typically applies to complex services and technology contracts and is quantifiable whenever possible. Costs in the case of "best value" are distinguished from "price". Costs include conversion costs, life-cycle costs, etc. and embody price which is the amount charged by the vendor for the commodity or service.
Bid	The seller's offer to furnish material or perform services at a stated price under specific terms in response to the buyer's solicitation. A bid may be a formal document, an advertisement, a letter, or a verbal offer by the bidder.
Bid Opening	In public sector purchasing, the process through which the contents of bids are revealed for the first time to the government, to other bidders and usually to the public.
Cash Discount	A discount designed to encourage prompt payment of an account. The <i>net</i> price of the purchased items yields a fair profit to the supplier and is the price the supplier expects most customers to pay. Those who do not pay within the specified time limit must pay the <i>gross</i> price.
Centralized Purchasing	An organizational policy and structure in which most of the firm's purchasing is done by one specialized group representing multiple user groups or geographic sites. There are numerous advantages for this type of arrangement, including the ease of standardization of products, reduction of administrative duplication, more leverage capability due to a larger quantity of purchases, limited interdepartmental competition in times of short supply, more control over purchase commitments, greater administrative efficiency for suppliers, and the development of specialized expertise in purchasing activities. With the exception of the VISA Procurement Card Program, SUNY Canton practices centralized purchasing.
Central Receiving	An organizational policy and structure where there is a centralized delivery address for packages and freight for the college community. This will relieve as much commercial traffic as possible. Goods are inspected at check in and delivered to the appropriate office or individual.

Collusion	A secret agreement or cooperation between two or more parties to accomplish a fraudulent, deceitful, or unlawful purchase.
Collusive Bidding	An unethical and illegal practice in which suppliers act in collusion to "fix" their bids in a collectively advantageous manner.
Commodity	A standard article of commerce in the form of material goods, supplies, products or similar items.
Competitive Bid (or IFB - Invitation For Bid)	A common method of source selection is the offer of prices and specified elements of performance by vendors competing for a contract. Public sector purchases are often required to perform competitive bid selection using a sealed bid process with the law requiring that the award be made to the lowest responsive and responsible bidder.
Concealed Damage	Damage to the contents of a package which appears to be in good condition externally.
Contract	A written or oral agreement between two or more competent parties that defines a job or service to be performed and which is legally enforceable.
Contractual Services	Expenses for services rendered by outside vendors under formal or informal contracts such as office machine maintenance, printing, equipment rentals, consultants, insurance, etc.
Credit Memo	A document used to correct an overcharge, pay a rebate or credit the value of goods returned.
Electronic Requisition	A request generated on the SUNY Finance and Management System which follows a pre-determined approval process for the procurement of goods or services from suppliers.
Emergency Purchase	Is considered an urgent and unexpected requirement where health and public safety or the conservation of public resources is at risk. An agency's failure to properly plan in advance which then results in a situation in which normal purchasing practices cannot be followed does not constitute an emergency.
Encumbrance	The recording of a monetary commitment in an account's budget to buy goods or services via requisition, purchase order or contract.
Equipment	Items with a relatively long useful life and costing over \$1,500 including office furniture, personal computers, laboratory equipment, etc.

Ethics	A system of moral principles or rules of conduct recognized as essential to a particular class of actions. Procurement agents for NYS must adhere to a code of conduct as detailed in the "Public Officers Law" provided by the NYS Ethics Commission.
Expedite	The act of contacting a supplier or carrier with the goal of speeding up the delivery date of an inbound shipment.
Fiscal Year	The timeframe in which a budget is in effect or financial reporting is done. SUNY Canton's fiscal year begins July 1 through June 30 of the following calendar year.
FOB (Free On Board)	F.O.B. terms establish a contractual arrangement in which title (or ownership) of goods is transferred between supplier and purchaser at the F.O.B. point.
Fraud	Deceit, trickery, breach of confidence or other illegal act used to gain unfair or dishonest advantage.
Hazardous Materials	Materials that have been determined by the Department of Transportation (DOT) to be a risk to health, safety and property, including such items as explosives, flammables, poisons, corrosives and radioactive materials. These materials must be packaged, labeled, handled and transported according to stringent regulation from several agencies.
IFR (Income Fund Reimbursable) Account	A self-supporting account that generates revenues and provides services which are not included in the state operating budget. These accounts have activities essential to the campus's mission and operations with a clear and defined income/expenditure relationship. . An IFR account must follow all State and campus purchasing and payroll regulations and procedures. The difference between an IFR account and a state operating budget account is an IFR generates its own revenue to support its expenditures, whereas a state operating budget account is supported by general State and SUNY revenues. The year-end cash balance in an IFR is carried over to the next year; it does not revert back to the State. Fringe benefits, administration and maintenance/overhead are additional charges the IFR accounts must bear.
Invoice	A bill for goods or services purchased that includes pertinent information with respect to the quantity, price, terms, nature of delivery, etc.
Lead Time	The time that elapses from placement of an order until receipt of the order, including time for order transmittal, processing, preparation and shipping.
M/WBE (Minority/Women Business Enterprise)	Any legal entity, organized to engage in commercial transactions that is at least 51 percent owned and controlled by one or more minority (or woman) persons. Ownership interest in the firm must be real, substantial and continuing.

Nonresponsive Bid	A bid that does not conform to the essential requirements of the invitation for bid (IFB).
OTPS (Other Than Personal Service)	Other Than Personal Services. Purchasing processes OTPS transactions only. Sub-objects within OTPS are supplies (53000), travel (54000), contractual services (55000), and equipment (57000).
Packaging List	An itemized listing of package contents that is prepared by the shipper.
Per Diem	This term literally means "per day" and is used to determine a specific daily rate allowable for a specific purpose.
Petty Cash	A method of purchasing low-value items from a business' petty cash system. The Petty Cash limit for SUNY Canton is \$250.
Procurement Card	A payment method whereby individuals are empowered to deal directly with suppliers for low-dollar, high-frequency purchases. The cards reduce paperwork and enable purchasing and accounts payable personnel to focus on more value-added activities.
Procurement Record	Procurement law requires that a procurement record be kept for each acquisition. The record formalized the practice of agencies to maintain documentation concerning the procurement process and the decisions made during that process. The Procurement Record, including the solicitation documents, should contain all the materials necessary to be conveyed to the Office of the State Comptroller (OSC) for contract review purposes and any other material the agency determines is essential. The record is designed to both serve and protect agencies and the business community during and after the procurement.
Purchase Order	A written contractual document prepared by a buyer to describe all terms and conditions of a purchase.
Purchase Requisition - See Electronic Requisition	A request to the purchasing department for the procurement of goods or services from suppliers.
Quotation (or RFQ - Request For Quote)	A document which can be used to obtain pricing from suppliers when a formal bid opening is not required including discretionary, sole source, single source or emergency purchases.
Reciprocity	If buyers give preference to suppliers because they are also customers, the buyers are engaging in a practice known as reciprocity. This purchasing action is illegal if it tends to restrict competition or trade.
Responsible Bidder	One that is determined to have skill, judgment and integrity and is found to be competent, reliable, experienced and financially qualified.

Responsive Bidder	One whose offer meets the specifications or requirements prescribed in the bid documentation or solicitation.
RFP (Request For Proposal)	A type of bid document which is used for procurements where factors in addition to cost are considered and weighed in awarding the contract and where the method of award is "best value".
SMRT (SUNY Management Resource Tool)	A web-based application for querying budget and expenditure information for an account from the SUNY accounting system.
Scope (or Statement) of Work	A statement outlining the specific services a contractor is expected to perform, generally indicating the type, level, and quality of service, as well as the time schedule required.
Sealed Bid	A bid which has been submitted in a sealed envelope to prevent its contents from being revealed or known before the deadline for the submission of all bids.
Services	The performance of a task or tasks which may include the use of a material good or quantity of material goods.
Single Source	The practice of using one source, among others in a competitive marketplace that, for justifiable reason, is found to be most advantageous for the purpose of fulfilling a given purchasing need.
Small Business	A business which is resident in NYS, independently owned and operated, not dominant in its field and employs one hundred or less persons.
Sole Source	The use of one source when that source is the only available firm possessing the ability to fulfill the purchasing firm's needs.
Specifications	A description of the technical requirements for a material, product or service that includes the criteria for determining whether these requirements are met. A specification may describe the performance parameters that a supplier has to meet, or it may provide a complete design disclosure of the work or job to be done. Specifications for service contracts normally take the form of a "scope or statement of work".
Split Ordering	The practice of splitting a transaction or group of like transactions into two or more individual smaller dollar value transactions to avoid competitive bidding requirements.

Sub Object Code	Codes identifying specific expenditure types. Within the major object OTPS (Other Than Personal Service) are sub-objects for supplies (53000), travel (54000), contractual (5500) and equipment (57000).
Travel	Expenses for travel on official State business such as meals, lodging, airline tickets, personal car mileage, conference registrations, etc.
UNSPSC Code	The UNSPSC Code (United Nations Standard Products and Specification Code) is a hierarchical convention that is used to classify all products and services. It provides efficient and accurate information for procurement reporting
Voucher	A documentary record of a business transaction denoting payment due the payee.