Northwestern Use of Amazon

Beginning February 1, 2015, internet retailers began collecting sales tax in Illinois. Northwestern University is a private, not for profit, coeducational institution that is exempt from sales tax. This change in Illinois law has caused many questions and heightened the need to put better controls in place regarding the use of Amazon and other internet retailers.

POLICY REMINDERS

Use of membership clubs and setting up on-line accounts like Amazon is generally discouraged, purchases over the internet should be minimized, and individuals should not advance their own personal funds to purchase supplies and services on behalf of NU.

BACKGROUND ON AMAZON.COM

We acknowledge that there are times when Amazon may be the best option for hard to find items or items not available from Preferred Vendors. However, Amazon has historically not made it easy to establish an enterprise level relationship to support business to business transactions and has not positioned itself to qualify as a Preferred Vendor at Northwestern or at any of our peers. Among the key areas where they are not willing to negotiate or comply:

- They do not respond to RFPs or offer discounts and will not agree to NU terms and conditions.
- They do not support NU standards or business processes and lack necessary controls/restrictions.
- They do not offer an institutional level prime program.
- They do not support access to their site through an e-procurement system like iBuyNU.
- They do ship items from their own warehouses, but also are a front door to many unknown 3rd party vendors.

We have reached out to Amazon in the past regarding the above concerns and will continue to do so. In the meantime, to continue using Amazon for occasional NU purchases, the following must be complied with:

- Departments/schools can no longer have an account with Amazon that is used for both personal purchases and business purchases.
- Existing accounts must be either cancelled or revert back to personal accounts (in which case you will need to remove the NU tax exempt information, P-card information, NU ship to address, and NU e-mail address from the account).
- Departments/schools can send a request to the Procurement Card Office to set up a new business account under the primary Northwestern Amazon account. Please note the following:
  o An official NU ship to address must to be used for deliveries.
  o An official Northwestern P-Card must be used for payment. If you do not currently have a P-Card, work with your department and the Procurement Card Office to obtain one.
  o Tax exempt information will be provided in a follow up enrollment email.
- If you have a prime account for personal use, you may share it with your new business account, however the cost will no longer be paid for by Northwestern.
- As with all purchases, use of personal funds to purchase from Amazon (with a subsequent reimbursement request) is discouraged and will be approved on a very limited basis. Please note that sales tax paid will not be reimbursed.

This change in Illinois law has also created an opportunity to remind departments/schools of the procurement strategy at Northwestern and what Purchasing Resource Services (PRS) has established to make it easier to obtain the products and services needed to run their programs.

PREFERRED VENDORS

One of the primary responsibilities of PRS is to strategically source on behalf of the University. Preferred Vendor Contracts are established for products and services needed by departments/schools on a regular basis. Contracts are established based on the results of a formal competitive bid/negotiation process that involves representatives from across campus. Departments/schools are strongly encouraged to utilize Preferred Vendors because they have been determined to represent the best overall value to NU based on breadth of product, delivery capabilities, quality, experience, past performance, ease of ordering, customer service, price, etc. There are currently over 100 Preferred Vendors for a variety of products and services.
iBUYNU MARKETPLACE

iBuyNU is a tool that was implemented to streamline the entire procure to pay process. It provides end users with a web based ordering experience for many Preferred Vendors that is integrated with NUFinancials. iBuyNU currently includes 40 catalogs representing literally millions of items that may be needed on a day to day basis, all of which reflect competitive discounted pricing, often delivered within 1-2 business days at no additional cost, dedicated customer service, and no sales tax is charged. POs are dispatched electronically several times a day, invoices are received electronically, workflow is streamlined, and vendors are paid electronically. There is also no additional paperwork to do after the purchase.

Northwestern’s tax exempt status can only be used for authorized University business purposes. Personal or other unauthorized use may result in disciplinary or legal action and could affect our tax exempt status.

Click here for instructions on how to set up a new Amazon account as described above.

Questions should be directed to Mary Hallissey in the Procurement Card Office at (847) 491-5340 or m-hallissey@northwestern.edu.