

# S&S CISD Purchasing Handbook 2008-2009

## **General Operating Funds**

### **Purchasing Goals and Objectives**

The objective of S&S CISD is to purchase the best products, materials, and services at the **lowest practical prices** *within relevant statutes and policies*. Procurement policies must, of course, accommodate the school district's unique operating environment and needs. While school district administrators are not authorized to override state law or board policy, they can customize the purchasing function to provide for regulatory compliance while minimizing procedures and related costs.

### **Statutes, regulations and board policies applicable to purchasing**

Statutes containing requirements for competitive *purchasing/contracting processes* for districts are found in the Texas Education Code, Local Government Code, *Government Code*, Texas Revised Civil Statutes, Texas Attorney General Opinions, federal regulations and other sources.

Note: State law and Texas Attorney General Opinions establish the minimum requirements for school districts, and a district's governing board has broad discretion to establish stricter local policies.

### **Purchasing Authority**

The Board delegates to the Superintendent or designee the authority to determine the method of purchasing, in accordance with CH (LEGAL), and to make budgeted purchases. However, any purchase that costs or aggregates to a cost of \$10,000 or more shall require Board approval before a transaction may take place.

### **Purchase Order Processing/General Guidelines**

All goods and services shall be ordered through the RSCCC purchase order system whereby a purchase order is produced, approved and sent to the vendor.

1. Approval for purchases must be made prior to purchase.

2. Request for payment without an approved purchase order may become the responsibility of the person ordering the merchandise.
3. All purchases must be entered in RSCCC by the campus data entry designee and approved by the campus administrator in RSCCC and a purchase order number must be assigned and approved by the Superintendent before purchases are to be made.
4. In rare circumstances, there may be a need to place an order by phone. Employees needing to place phone orders shall obtain prior approval of the principal or budget manager who oversees the budget area. A purchase order number from the business manager shall be given to the vendor and then the purchase order shall be processed. Include under vendor notes in RSCCC, "CONFIRMING PURCHASE ORDER, PLACED BY PHONE OR INDIVIDUAL MAILING". This will insure that the order number is not duplicated. Invoices that do not have our purchase order number on them will not be paid. Orders in excess of \$250.00 shall not be placed by phone and shall be made through the normal purchase order procedure.
5. Materials for preview must follow the same purchasing procedures as detailed.
6. Employees should not purchase materials with their own money with the intention of being reimbursed by the district. Instead, the purchasing procedures outlined in this section should be followed. However, due to special circumstances and with superintendent or business office manager approval, employees may purchase supplies to be used for district purposes with personal funds and the district will reimburse the employee subject to receipt of proof of purchase as long as the receipt is not 30 days old or exceeding \$50.00.

## **Purchasing Procedures**

**Requested purchases shall be submitted by the requestors to the campus data entry designee to be entered in RSCCC. The Principal must approve electronic requisitions in the RSCCC system before the Business office may print the purchase orders.**

1. Determine the best price and product. S&S CISD has an interlocal agreement through Buyboard and TCPN local cooperatives. These cooperatives should be utilized if the vendor participates and offers the **lowest practical prices** *within relevant statutes and policies*.
2. The order request will be entered into the RSCCC system by the Principal's designee. The requestor shall provide an adequate description

- of requested items/services to be ordered must be stated. No generic description such as 'supplies' is sufficient. The designee will enter all provided documentation into RSCCC which includes item #'s, catalog #'s, price, quantity, etc. The instruction on how to place the order (i.e.: fax, mail, buyboard, etc) shall be entered under "Vendor Notes".
3. Approval Authority - All RSCCC Requisitions must be approved by the Principal before the Business Office can process.
  4. The budget authority granted to a Principal in no way authorizes them to execute contracts or make purchases in the name of the District.
  5. Requests for goods or services totaling \$2,000 to \$4,999.99 require telephone price quotations from at least two (2) vendors or a sole source letter before they will be processed. For orders \$5,000, up to \$24,999.99, written quotations must be provided by three (3) different vendors. These quotations should be sent to the Business Office as attachments, with "attachments" noted on the comment's line of the requisition. The quotations should include the company name, contact person, phone number, and quoted prices.
  6. Requests for goods or services totaling over \$25,000 in the aggregate for twelve months must be supported by a competitive pricing mechanism before purchases can be made.
  7. Orders must not be deliberately split to avoid the necessity for quotes or competitive bids. This is a violation of state law.

## **PURCHASE ORDERS**

### **General Purchase Order Procedures**

1. Purchase Orders are issued by the Business Office based on information provided in RSCCC. When the business office extracts the automated requisitions, they become purchase orders. The Purchase Order is computer-generated with budgeted funds being encumbered at the same time. Because of the encumbrance policy, the district will not allow the purchase of items or services without funds being in the designated account prior to encumbrances being made. The system will simple not allow requisitions to be made that exceed budgeted amounts.

All requests for changes in budgets shall be presented to the Superintendent. When an expenditure will cause an account to exceed the amount budgeted, the person responsible for that budget shall report the circumstances to the superintendent for review. Although some flexibility

in spending from one account to another will be granted, unless changes are due to unavoidable circumstances or emergencies, changes from original appropriations will not be granted. Any requested unbudgeted item that will cause the organizational budget total to exceed original amounts, must be approved by the superintendent. The Board must approve any request that will increase the original approved budget at the function/major object level.

2. **The merchandise should not be ordered until the purchase order has been returned to the campus.** The individual placing an order without a P.O. number may be responsible for payment of the invoice.
3. Purchase Orders are not to be modified with the vendor or by schools directly. If it becomes necessary to change the terms of a Purchase Order, please inform the business office in writing. Once agreement to any price increases or modification of terms is reached, the encumbrance can be adjusted on the Purchase Order.
4. Once a Purchase Order is issued, the same P. O. number cannot be used for reorders. Where merchandise has been returned or damaged and a reorder of replacement merchandise is desired, a new Purchase Order is required.
5. In the event it is necessary to cancel a Purchase Order, the business office must be notified in writing as to why they are canceling the order. The business office will liquidate the encumbrance. The department/campus placing the order should notify the vendor or specifically request that the business office mail a revised copy to the vendor.
6. The Business Office will:
  - a) Verify compliance with bid laws
  - b) Verify correctness of coding according to the Finance Manual, and
  - c) Give final approval if all is in order
7. Following final approval, the purchase order will be mailed, faxed or released via Buyboard electronically. Any order requiring a paper order form will be sent back to the campus for releasing. No paper forms need to be sent to the business office. Copies will be dispersed to the appropriate personnel.

## **Open Purchase Orders**

Open purchase orders and/or open accounts are established with vendors by the business office only through Superintendent approval.

Purchase Orders not issued in this manner are considered to cover a one-time single purchase per each Purchase Order number assigned.

Invoices are to be attached to a copy of the purchase order, signed by the person responsible for the purchases, and forwarded to Accounts Payable.

## **Blanket Purchase Orders**

A blanket purchase order maybe issued to a pre-approved vendor authorizing purchases from that vendor over a period of time. Blanket purchase orders are valuable because they allow the purchase of items quickly. Both paperwork and related processing costs usually are reduced by blanket purchase orders. However, blanket purchase orders must follow certain criteria: pre-qualification of vendors, limitation on the maximum amount for purchases (up to \$500 per month per vendor), a specific time frame for purchases covered by the blanket purchase order (one month), and only designated authorized purchasers.

Blanket purchase orders are issued so that supplies, materials, or services are available "as needed" by user departments. For example, blanket purchase orders may be requested on a regular basis by the Food Service department for perishable items. Commonly used in larger districts, these purchase orders eliminate numerous individual purchase orders for small dollar-value items. Blanket purchase orders are requested by user departments and, if approved by centralized purchasing, issued to vendors.

## **Standard procedure for using credit cards**

Credit cards are to be used normally for travel expenses (hotel rooms, airplane tickets, meals and gasoline) Credit card receipts are to be returned no later than one week after use and should indicate the reason for the trips on the receipt. When hotel rooms or airplane tickets are charged on credit cards they should be entered on a purchase order to the card company prior to using. Prior authorization for purchase (P.O. number issued) should be issued by business office. Credit cards may be used in special circumstances for purchase of supplies or contracted services **only** after approval and processing of a purchase order is completed. Although the process is cumbersome it allows for safeguards to insure that accounts are not overdrawn. This process is standard operating procedure in all school districts and meets normal accounting standards.

**Important: Anyone using a credit card for hotel expenses *must* submit a Texas Hotel Tax Exemption Form to the hotel when registering to ensure no state taxes are charged to the school.**

## **Receipt of order**

1. A signature of the originator of the purchase order is required on the packing slip or invoice indicating that the order is acceptable.
2. The originator will then return the documents to the campus data entry person.
3. Before sending the packing slip or invoice to the business office, the data entry person will check to make sure all items or services were received.
4. The data entry person enters into RSCCC that the item or services were received, which finalizes the transaction.
5. The “ok to pay” must be returned to the business office within five working days of delivery or completion.

## **Penalties for Non-Compliance**

Penalties for non-compliance of the S&S CISD purchasing policy can result in verbal and/or written warnings. Vendors who accept orders without a district purchase order may be removed from the District's vendor list.

**Please return to Monica Miller.**

**I, \_\_\_\_\_, have read and reviewed the  
2008-09 S&S CISD purchasing policies and procedures.**

\_\_\_\_\_  
**Signature**

\_\_\_\_\_  
**Date**