



SECTION XIII

PROCEDURE

MANUAL

Administrative Services Purchasing Procedures Manual

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A. INTRODUCTION

1. *Administrative Area*

The business office is responsible for providing numerous services to the institution within the administrative services area. This operation is organized into three areas, each contributing services to accomplish the operational requirements:

- a) Initiating new services and/or reviewing present services for possible improvement;
- b) Establishing procedures for new services and reviewing existing procedures for possible simplification and/or improvement;
- c) Administering special projects under the jurisdiction of administrative services.

2. *Purchasing Department*

The Purchasing Department is responsible for the acquisition of all equipment, furniture, supplies and outside services for the institution according to Board of Education policy.

B. PURCHASING

1. *Purpose*

The business office will coordinate purchasing within the framework of the rules and regulations of the Board of Education and state statute.

The objective of purchasing policy is to secure requirements for services, materials, supplies and equipment for the institution at the lowest possible cost consistent with satisfactory standards for quality and service.

The Board of Education purchasing policy covers not only the procurement of equipment and supplies, but also any commitments of funds for rentals and service agreements. These commitments must be covered by purchase orders and, if they are to extend beyond one year, must be renewed by a replacement purchase order. To simplify budgeting and the accounting procedures, commitments of this nature should run concurrent with the fiscal year whenever possible. Before the start of each fiscal year, each responsible party should initiate a new requisition requesting that a purchase order be processed replacing the previous one.

Depending on the conditions, many requisitions can be processed in 24 to 48 hours from the time of receipt in the purchasing department.

The purchasing department procures materials and services for the institution and is also responsible for the following:

- a) Establishing efficient purchasing procedures and initiating and designing necessary forms to implement statutory requirements and board policy;
- b) Initiating acceptable requisitioning and receiving procedures;
- c) Expediting outstanding purchase orders to ensure timely delivery;
- d) Compiling and maintaining vendor categorical database to assist staff members;
- e) Supplying cost estimates, specifications and general information to staff members;
- f) Assisting in the establishment of standards covering equipment used throughout the institution;
- g) Recommending cost reducing procedures in the general operating areas of the institution.

C. INITIATING AND PROCESSING REQUISITIONS

1. Purpose

Requisitions are the means by which the material requirements of the faculty and staff can be made known. Requisitions are used to give the purchasing department detailed and specific information regarding items to be purchased.

- a) All requests for supplies, equipment, services, rental, subscriptions, or any other transactions that involve an expenditure of institution funds require the initiation of a proper requisition; and
- b) In addition to the above, any items offered on a trial basis for evaluation purposes with an option to buy, also require a proper requisition.

It is the responsibility of the cost center manager to confirm that the correct account numbers are indicated, the expenditures requested are in the budget and that sufficient funds are available in the specified account.

2. Procedure

The requisitioner should include the following information on the requisition in the appropriate space or column:

- a) **Suggested Supplier** — complete with address, zip code, phone # and contact, if available.
- b) **Requisitioner** — include name of the requisitioner and any delivery information that may be needed, (Such as: Delivery to room A-217" or Attn: Tom Smith")
- c) **Date of the Requisition.**
- d) **Shipment to Arrive** – Include a realistic date as to when the item is needed. The Purchasing Department will advise the requisitioner when the vendor's lead time is such that the item cannot be procured when requested.
- e) If an automated Purchase order system is utilized, all information outlined below shall be included on the requisition. Once requisition is entered into the system the requisition shall be routed to appropriate cost center manager for approval. The requisition shall then be routed to appropriate Business Office administrator for approval, purchase order number assignment, and printing.
- f) **Item Number.**
- g) **Quantity** —specifying units as each, case, box, etc.
- h) **Catalog Number** —if known.
- i) **Description** — Include a complete written description so that the purchasing department does not need to contact the requisitioner for any additional information..
- j) **Unit Cost.**
- k) **Extension** — Extend unit cost when ordering in quantities of more than one.
- l) **Division.**
- m) **Department.**

n) Account Number — Include a correct account number. An incorrect number results in a delay of the purchase.

o) Approval — Requisition is routed to budget administrator and Business Office.

p) The requisitioner is often notified of the new purchase order number through an electronic means.

D. SPECIAL PROCEDURES

Dues, Fees, and Subscriptions

a) Membership Dues (New). Requisition needed. Submit completed membership application form and requisition. Note if prepay is required.

b) Membership Dues (Renewal). Requisition required. Submit bill with requisition to be promptly paid.

c) Fees (Seminars, Workshops, etc.) Requisition required. Submit completed application form and note if prepay is required.

d) Fees (Officials for Athletic Events, Use of Facilities, Greens Fees, etc.) No requisition required. Submit invoice and properly executed check request form to the accounting department.

e) Subscription (New) Requisition required. Attach publisher's subscription form with note to prepay.

f) Subscription (Renewal) Requisition required. Submit renewal notice with requisition to be promptly paid.

g) Books and Pamphlets. Submit completed publisher's order blank and requisition. Note if prepay is required.

E. TECHNOLOGY

1. Technology includes computer equipment and peripherals, software and upgrades.

2. All purchase requisitions for technology are to be submitted by the cost center manager directly to the Director of Technical Services.

3. The Director of Technical Services will conduct a review of the purchase and certify adherence to standards or make concessions. The director will approve the requisition.

F. QUOTATIONS OR BID REQUESTS

1. Purpose

- a) Competitive prices are to be obtained whenever possible. The use of quotations and bid requests are appropriate for price solicitation.

- b) When quotations or bids are required, they will be prepared by the purchasing department upon receipt of complete specifications from the member or members of the staff requiring the items. Awarding of bids will be according to board policy.

- c) In the event that alternative items, of equal quality and function, are bid at a lower price than the specified items, the purchasing department will require justification from the budget administrator. In the event an item to be purchased is only available from a sole supplier, a signed rationale should accompany the requisition stating why this item should be purchased in preference to another brand. Final responsibility in determining whether an item is a proprietary item and may be purchased from a sole source rests with the purchasing department.

- d) Specifications shall be supplied on the standard requisition form. The specifications must be accompanied with a properly executed requisition.

2. Procedure

- a) Purchases of \$2,500 to \$25,000 shall have the support of **THREE VERBAL OR WRITTEN QUOTATIONS** from responsible vendors when deemed appropriate. Final approval within this category shall be made by the purchasing official.

- b) The names, addresses and phone numbers of three suppliers should accompany the requisition. If a staff member does not know of three suppliers, they may contact the purchasing department for additional information. Purchasing has the option of contacting sources in addition to those listed on the requisition.

- c) Purchases in excess of \$25,000 or more require **FORMAL SEALED BIDS** with some exceptions (See Section 10-20.21 of the School Code). Formal bids require advertisement in the newspaper, a minimum of 10 days from the date of issue to the opening date and time. Board approval is required.

d) When preparing a requisition for sealed bids, it is necessary to include a list of suggested suppliers' names, addresses and phone numbers with the requisition and specifications. Include as many suppliers as possible. The purchasing department has the option of adding other suppliers to the bid list.

G. PURCHASE ORDERS

1. Purpose

a) Materials and services are obtained for the institution through a purchase order. It also makes possible the proper encumbering and charging of materials and services against the correct accounts.

b) All expenditures of funds for supplies, equipment and services must be covered by a properly executed purchase order. Materials or services received that are **NOT** covered by a purchase order are the **LIABILITY** of the person or persons making the original commitment and are **NOT** the responsibility of the institution. An employee assumes personal liability for making purchases without following procedure. As a matter of law, an individual without express authority cannot contractually commit on behalf of the institution. The employee **personally** contracts for the goods or services.

2. Procedure

a) Upon the completion of all the requirements set forth in the purchasing policy and the requisitioning procedure, a purchase order will be prepared.

b) The requisitioner receives notification of the purchase order number when it is approved. The accounting department submits the vendor's copy and may also retain a paper copy in their files.

c) **NOTE:** No invoice will be paid unless receiving has been completed and the fees are appropriate.

H. QUICK ORDERING PROCEDURE

1. Purpose

This procedure is for the procurement of small value supply items that:

a) Are urgently needed and normal purchasing procedures cannot efficiently handle.

b) Cannot be determined without physically examining the stock that is available.

All expenditures must be made according to applicable state statutes, board policy, and good business practices. The purchasing department is responsible for the proper expenditures of funds and for this reason requests for supplies, equipment, and services must be channeled through the purchasing department.

2. Procedure

- a) When an emergency situation arises, the individual in need of the item or items obtains authorization from the division dean to proceed with a cash purchase of the items.
- b) The individual obtains the amount of money (maximum \$25.00) to cover the purchase from the petty cash fund with an approved petty cash slip.
- c) It is the responsibility of the division dean to see that the necessary sales receipt and itemized list are attached to the petty cash slip.

3. Limitations

- a) This procedure is not to be used as a means of bypassing the normal requisitioning process.
- b) This procedure requires the cooperation of the individual having the budget responsibility of the account charged.

I. BLANKET PURCHASE ORDERS

1. Purpose

- a) This procedure is used for the procurement of urgently needed items when following normal purchasing procedure is not feasible.
- b) The authority to purchase through the use of purchase orders and the normal requisitioning channels is subject to the limitations listed below.

2. Procedure

a) Funds committed

b) Approval required

c) Budget Balances — Sufficient funds available must be approved

d) Confirming Orders (after-the-fact) — The purchase order will be issued no more than three days after the commitment is made.

J. CHANGE ORDERS

1. Purpose

- a) Revision of purchase orders including partial or complete cancellation.

- b) Any and all changes to a purchase order must be approved through the purchasing department.

2. Procedure

- a) A requisition stating purchase order number, supplier's name and complete details as to what changes are requested, and the reason why, should be sent to the purchasing department. The same signatures of authorization are required as on the original requisition.

- b) Purchasing will issue a change order.

K. RECEIVING REPORTS

1. Purpose

- a) In order to clear invoices, keep the open order file up-to-date for expediting and detecting shipping errors. Keeping receiving reports promptly and properly processed is a necessity.

- b) Before services are cleared for payment, evidence of received goods or services rendered must be present.

2. Procedure

- a) The procedures for receiving merchandise should be closely followed in order that the errors in requisitioning, ordering, shipping and receiving can be more readily detected

- b) If one shipment is received, and it completes the entire order, close the receiving and send any invoices to accounts payable.

- c) If only a partial shipment is received, complete partial receiving copy.

- d) When shipment completes the order, complete the final receiving and send any invoice to accounts payable.

L. RETURN OF MERCHANDISE

1. Purpose

- a) The orderly handling of return of merchandise to the vendor.

- b) The return of any merchandise to an outside source must have the proper paperwork generated so that proper credit or replacement is received by the institution.

2. Procedure

- a) If an item must be returned for exchange or credit, contact the purchasing department giving all the necessary information.