

Provo City School District
Policy Series 6000: Finances and Operations



6210 P1

Purchase / Payment Procedures

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I. Vendor Selection

A. Quote and Bid Requirements

- Purchases over \$500 require a minimum of two verbal quotes.
- Purchases over \$9,999 require a minimum of two written quotes and must be placed by your school / department ALIO liaison. District Purchasing will obtain quotes if desired. *(With the exception of Child Nutrition Department which must obtain quotes on anything above \$10,000.)*
- Purchases over \$50,000 require three written quotes and Board approval. District Purchasing will obtain quotes if desired.
- Purchases over \$80,000 require a sealed bid/RFP, which must be processed by district purchasing and approved by the board.
- Purchases may not be artificially divided to defeat purchasing policy or procedures.
- See part IV for purchases requiring contracts.

B. Vendor Selection

- Utah State Procurement Code requires lowest bid from qualified/preselected vendors.
- The district may use state contracts for vendor selection at all levels.
- Employees who are purchasing supplies or services for Provo City School District may not ask for or receive any payment or personal gain from vendors or suppliers.
- Sole source justifications are infrequently granted and must be requested in writing for district purchasing approval. Sole source justification form 6210 F4 must be completed.
- Purchases for Provo City School District Child Nutrition Program must comply with the Buy American Provision Requirements. See below
 - a. Section 104(d) of the William F. Goodling Child Nutrition Reauthorization Act of 1998 (Public Law 105-336) added a provision, Section 12(n) to the NSLA (42 USC 1760(n)), requiring school food authorities (SFAs) to purchase, to the maximum extent practicable, domestic commodity or product. Section 12(n) of the NSLA defines "domestic commodity or product" as an agricultural commodity that is produced in the U.S. and a food product that is processed in the U.S. substantially using agricultural commodities produced in the U.S. "Substantially" means over 51% from American products. Therefore, over 51% of the final processed product (by weight or volume) must consist of agricultural commodities that were grown domestically. Thus, for foods that are unprocessed, agricultural commodities must be domestic, and for foods that are processed, they must be processed domestically using domestic agricultural food components that are comprised of over 51% domestically grown items, by weight or volume. The product's food component is considered the agricultural commodity. "Food component" means one of the food groups which comprises reimbursable meals. The food components are: meats/meat alternates, grains, vegetables, fruits, and fluid milk. Processed products must contain over 51% of the product's food component, by weight or volume, from U.S. origin. Products from Guam, American Samoa, Virgin Islands, Puerto Rico, and the Northern Mariana Islands are allowed under this provision as territories of the U.S. The Buy American provision (7 CFR 210.21(d) is one of the procurement standards SFAs must comply with when purchasing commercial food products served in the school meals programs.
 - b. For compliance and audition purposes, **the SFA will require in writing from the supplier (i.e., manufacturer or distributor) specific information about the percentage of U.S. content in any processed end product in order to document domestic percentage (written certification describing domestic content of the agricultural food component of commodities and products is required), and delivery invoices and receipts identifying the country of origin as being the U.S. or its territories, and in the case of a non-domestic product, a limited exception.** Limited exceptions are limited exceptions to the provision which allow for the purchase of products not meeting the "domestic" standard (non-domestic) in circumstances when use of domestic products is truly not practicable. Before utilizing an exception, alternatives to purchasing non-domestic food products will be considered. Limited exceptions will be used as a last resort. Exceptions to the provision are: 1) The product is not produced or manufactured in the U.S. in sufficient and reasonably available quantities of a satisfactory quality; or 2) Competitive bids reveal the costs of a U.S. product are significantly higher than the non-domestic product.
 - c. **The Buy American provision supports local and small businesses.** Using food products from local sources supports local farmers and provides healthy choices for children in the school meal programs while supporting the local economy. Requiring compliance with the Buy American provision also supports SFAs working with local, or small, minority, and women-owned businesses as required by Federal regulations (2 CFR 200.321). Affirmative

steps must be taken to assure that small and minority businesses, and women-owned businesses are used when possible. Affirmative steps include: 1) Placing qualified small and minority businesses, and women-owned businesses on solicitation lists; 2) Assuring that small and minority businesses, and women-owned businesses are solicited whenever they are potential sources; and 3) Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce.

C. Conflict of Interest

- Where a possible conflict of interest exists, all vendor selections must be made through district purchasing and a Conflict Of Interest Form 6210 F5 must be submitted to district purchasing.

D. Budget Considerations

- All purchases which exceed the budgeted amount by more than \$9,999 will be routed for appropriate approvals from the business administrator, the superintendent, and the board of directors as needed.

E. Placing Orders

- Bid proposals and approvals are required for the following:
 - a. **Purchase request** - *(can be submitted at any \$ level through your School / Dept ALIO Coordinator)*
 - b. **Purchase Cards (P-Cards)** - *(can be used to purchase incidentals and emergency items or items that vendors will not deliver without payment, or items for which the vendor will not accept a purchase order. Please refer to section VI paragraph B.)*
 - c. **Debit Cards** – *(see section VI paragraph C below)*

II. Purchase / Payment Approvals – all purchases/payments require two district employees' approval.

A. \$499 or less

- Submit Purchase Request Form 6210 F6 to your ALIO Coordinator for processing.
- No bids required.

B. \$500 - \$9,999

- Purchases over \$500 require a **minimum of two written or two documented verbal quotes**. Use Expenditure Quotation Form 6210 F12.

C. \$10,000 - \$49,999

- Purchases over \$10,000 require a **minimum of two written quotes** and must be ordered through your school / department ALIO liaison. Attach written quotes to the Expenditure Quotation Form 6210 F12. District Purchasing will obtain these quotes if desired. *(With the exception of Child Nutrition Department which must obtain quotes on anything above \$3500.)*

D. \$50,000+

- Must be presented to the Board of Education for approval.
- Prior signature of the proper principal, director, district council member, or superintendent or of their acting replacement in his or her absence.
- Prior signature of the business administrator.
- Prior signature of the superintendent.

- Purchases over \$50,000 require a **minimum of three written quotes** and must be ordered through district purchasing. District purchasing must obtain these quotes.
- Purchases over \$80,000 require a sealed bid/RFP, which must be processed by district purchasing.

E. Building Additions, Improvements, and Modifications

- Prior signature of the director of facilities.
- Prior signature of the superintendent for all projects with a total cost of over \$9,999.
- Prior approval of the board for all projects with a total cost of over \$50,000.
- Projects may not be artificially divided to defeat purchasing policy or procedures.
- See Construction Procurement Policy 6212.

III. Purchase Requisitions and Purchase Orders

A. Complete a Purchase Request Form 6210 F6

- Provide complete description including catalog numbers, ISBN numbers, quantities, suggested vendors, and any other details or special instructions along with any of bid documentation.
- Indicate the account code(s) to be charged.

B. Select a Vendor (See Section I)

C. Placing an order

- Forward completed purchase request form to your School / Dept. ALIO Coordinator including all required documentation.

D. ALIO Coordinator will:

- Generate a purchase requisition in ALIO. (*Requisition will be routed for appropriate approvals*) (*District Purchasing will edit requisitions twice daily and Fax or Email a copy of the Purchase Order back to the ALIO Coordinator.*)
- Order item(s).

E. Receiving Purchase Orders

- The principal or department manager will designate a receiving person or person(s) who is/are responsible to receive drop shipments in each school/location. Each school/location will notify district purchasing in writing who the designated receiving person(s) is/are.
- The receiver will:
 - a. Open packages and boxes when they are delivered.
 - b. Check the contents for correct quantity, damage, and correct items shipped.
 - c. Notify Vendor of shortages, overages, incorrect items, or damaged items.
 - d. Receive the Purchase Order in ALIO.
 - e. Stamp the invoice with the 'Accounts Payable Stamp'. Complete with the requested info on the stamped image.
 - f. Scan the invoice and drop in to the Accounts Payable folder in the I: drive.
 - g. Accounts Payable will process the invoice for payment.

IV. Contracts

A. Contacts

- If the purpose of the purchase requires a contract, lease agreement, or other legally binding agreement to be entered into, a copy of the contract **MUST** be signed by the Business Administrator or Procurement officer, including addendums.
- **ALL** software contracts **MUST** have a Non-Disclosure Agreement signed by the vendor attached as part of the contract, see 6210 F10.
- See policy 6220 for Personal Service/Consultant Contracts.

Change Order

A. Change Order

- If you or the vendor need to make changes to the original/approved purchase order, a Change Order Form 6210 F7 must be completed and sent to purchasing for updating before the project can move forward.
- No changes will be made to a Purchase Order (contract) without a signed Change Order Form 6210 F7.
- Change orders to increase the contract (PO) amount cannot be processed unless sufficient funds are available.
- Change Orders must be signed and processed by the Purchasing Department **IN ADVANCE** to any change in the contract, or delivery or acceptance of additional goods or commencement of additional work.
- Complete the form, sign and submit it to the Purchasing Department.
- District purchasing will issue the change order, notify the requestor, and notify the vendor to proceed.

VI. District Payment Methods

A. Accounts Payable

- School or District Accounts Payable is the preferred payment method for all purchases.
- Accounts payable pays all district purchase order items and invoiced amounts.
- All invoices received related to a District Purchase Order;
 - a. Verify and receive item(s) in ALIO program.
 - b. Stamp the invoice with the 'Accounts Payable Stamp'. Complete with the requested info on the stamped image.
 - c. Scan the invoice and drop in to the **Accounts Payable** folder in the I: drive. (To ensure the invoice is in the correct folder, open the I: drive, open the Accounts Payable folder, and drag the scanned invoice in to this folder.)
 - d. Accounts Payable will process the invoice for payment.
- Weekly check runs are made by the district office. Invoices received by Friday will be processed the following week.
- Employee Reimbursement
 - a. For minor reimbursement amounts, see Petty Cash section of this Procedure (Section VI Item D). For larger amounts, an Invoice Payment Request Form 6210 F3 must be submitted to Accounts Payable (see Submitting Bills and Invoices for Payment Procedure 6210 P2).

B. Procurement Cards (see 6211 P1)

- Procurement cards are issued to authorized employees to purchase incidentals and emergency items or items that vendors will not deliver without payment, or items that the vendor won't accept a purchase order for.
- Procurement cards are not to be used to pay invoices.
- The card holder's immediate supervisor is to approve all monthly statements. If the statement total exceeds the immediate supervisor's approval limit, the statement must also be approved by the next line supervisor with the appropriate approval limit.

- The card holder:
 - a. Makes the purchase. Ensure no taxes are paid. (If needed, refer to Utah State Exemption Certificate TC-721G *tax exemption form*.)
 - b. Retains all receipts, invoices and packing slips.
 - c. Reviews all charges on the monthly statement. Any discrepancies must be protested in writing (contact district purchasing for assistance).
 - d. All statement expenses will be charged to the users default account (generally 061000) unless a Journal Entry form 6210 F1 is submitted detailing accounts the charges are to be coded to.
 - e. Follow instructions on the front of the Procurement Card Monthly Checklist Envelope, form 6211 F1. (Procurement Card Monthly Checklist Envelopes can be obtained from the District Business Office.)
 - f. Include the following items in the Envelope:
 1. The monthly statement.
 2. All receipts and supporting documents.
 3. A school check for any school account purchases made with the card.
 4. A Journal Entry form 6210 F1 if needed. (Send a copy of the completed Journal Entry form to the District Business Office.)
 - g. Obtains appropriate signatures on the Checklist Envelope.
 - h. Forwards the approved Procurement Card Monthly Checklist Envelope, form 6211 F1 to district purchasing.
- Procurement cards will be issued under the following guidelines:
 - a. Clerical guidelines
 1. Principal's secretary (one secretary card per elementary school, two secretary cards per secondary school).
 2. Program manager's secretary (one secretary card per manager).
 3. Director's secretary (one secretary card per director).
 4. Council member's secretary (one secretary card per council member).
 5. Others by business administrator approval.
 6. Cards are limited to \$500 per day, \$5,000 per month and will be blocked for travel purchases.
 - b. Janitorial guidelines
 1. Elementary are limited to \$300 per month.
 2. Secondary are limited to \$500 per month.
 3. Blocked for travel.
 - c. Administrator guidelines
 1. Principals, assistants, and program managers (one card per program).
 2. Cards are limited to \$1,000 per day, \$10,000 per month and will be blocked for travel purchases.
 - d. Council member and superintendent guidelines
 1. Cards will be limited to \$10,000 per month.

C. Debit Cards

- Rules for use
 - a. Debit cards are used for emergency purchase items which can't wait, products or services for which the vendor will not invoice, and when the employee has not been issued a district purchasing card.
 - b. Debit card purchases cannot exceed \$350 per transaction.
 - c. Debit cards and PIN numbers are to be stored in a secure area.
 - d. Debit cards are to be used for purchases only – no cash back and no ATM transactions.
 - e. All purchases must be sales tax exempt.
 - f. Debit cards are to be checked out from the designated school or district secretary.
 - g. Debit cards and receipts must be returned to that secretary by the end of the business day the purchase is made.
 - h. To replenish a Debit Card account, a Zion's Bank Debit Card Reconciliation Form 6210 F8 (and the associated receipts and authorizations) must be submitted to the district purchasing office. At that time, additional funds will be transferred into the debit card account.

D. Petty Cash

- District Petty Cash
 - a. District Petty Cash is kept in the cashier's office at the District Office.
 - b. The petty cash fund is used to reimburse employees for minor purchases for which they have used their own funds.
 - c. All petty cash reimbursements require the immediate supervisor's approval.
 - d. Petty cash reimbursements cannot exceed \$30. For amounts over \$30, an Invoice Payment Request Form 6210 F3 must be submitted to Accounts Payable (see Submitting Bills and Invoices for Payment Procedure 6210 P2).
 - e. The petty cash fund is to be stored in a secure area.
 - f. The employee seeking reimbursement will:
 1. Attach receipt(s) to the Petty Cash Request Form 6210 F2.
 2. Obtain the immediate supervisor's approval.
 3. Submit the reimbursement form to the business secretary for reimbursement.
- School or District Department Petty Cash
 - a. Petty Cash may be kept by other District departments and the School's MAIN OFFICE for miscellaneous use and must abide by the following:
 1. All petty cash funds and amounts must be approved by the accounting director.
 2. Total Petty Cash on hand shall not exceed **\$50** unless approved by Accounting Director.
 3. Shall not be used for receipting monies for services provided (change only for fees under \$5 may be made from petty cash).
 4. Shall be accounted for on an imprest basis with a monthly reconciliation (see imprest account procedures).

5. Shall be kept in a safe/locked location.
6. **“Change Funds”** are considered Petty Cash and follow the Petty Cash policies and procedures.

VII. School Account Payments

- All funds received from school fundraisers, student fees, etc. are to be deposited in the authorized school checking account.
- Schools are only authorized to establish one school checking account, and the business administrator must be established as a signor on the account.
- School debit cards drawn against the school checking account may be issued. School debit cards follow district purchasing procedures and policies.
- No other checking, charge, or financial accounts may be established by the school.
- The school checking account is to be used only to pay school purchases which are to be charged against the school account budget. District payment and vendor selection procedures must be followed.
 - a. Complete a School Expenditure Request Form 6210 F11, include the following information:
 1. Name of School.
 2. Vendor name and address.
 3. Quantity of item(s) and name of item(s) requested.
 4. Total amount being requested.
 5. Requestors name and date of request.
 6. Department name.
 7. Account code to be debited.
 8. Obtain required prior approvals.
 - b. Attach the invoice to the School Expenditure Request Form.

VIII. Employee Payments

A. Employee Compensation

- All employee compensation, whether in kind or cash, of more than \$50 each occurrence or an annual aggregate of \$600 (– i.e. twelve \$50 payments) must be processed through the payroll system.

B. Employee Reimbursements (not including travel)

- Employee reimbursements should be small and infrequent in nature (around \$50). Any exceptions must be approved by the District Business Office.
- Employees who purchase items and seek reimbursement must receive prior written authorization from their director before purchase is made. Written authorization must be included with reimbursement request.
- Reimbursements must be completed within 30 days of purchase.
- Reimbursements will not be made for items from online retailers or vendors which are set up in ALIO. Purchases made from Amazon.com and other online sources should be

made with the secretary or principal P-card or the school debit card. Vendors already in ALIO must have requisitions created – reimbursements should not be requested.

- Reimbursements to companies where district accounts are set up will not be made. Purchases at Macey’s, Sam’s Club, Office Depot, and Costco should be used on the district account or available purchase vouchers.
- Reimbursements will not be made for items that are not in compliance with the wellness policy (see Policy 3401).
- Small reimbursements can be made with petty cash, if applicable. (see VI part D)
- Reimbursements should not be made for items purchased with Teacher Supply money, and preapproval is not necessary for items purchased with Teachers Supply money.
- For purchases made from one vendor throughout the year, please check with vendor and the purchasing department to see if an open purchase order can be requested and used throughout the school year.

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