

*See reverse for  
Purchasing Tips &  
Best Practices!*

## **BUILDING OR PROGRAM ADMINISTRATOR**

### **START HERE**

#### **PURCHASER**

The purchaser completes a requisition (request to spend) and submits it to the building administrator or other budget authority for approval. Quote must be attached.

The building/program administrator reviews and approves the requisition to be submitted to the building/program secretary for processing.

#### **SECRETARY**

The secretary or purchaser enters the information from the requisition into the system for further review and approval.

### **ACCOUNTS PAYABLE**

Accounts Payable matches packing slip/purchase order to vendor invoice, verifying charges. Payment is sent to vendor.

### **SMALL PURCHASES (\$10,000 OR LESS)**

#### **THE BUSINESS PURCHASING CYCLE**

THESE PROCEDURES ARE RECOMMENDED BY  
THE STATE AUDITOR.

### **BUSINESS OFFICE**

The business office reviews the electronic requisition for budget accuracy, legal purchasing thresholds, and sends the purchase order to the vendor.

#### **PURCHASER**

The purchaser receives and verifies order completeness. The purchaser signs and sends packing slip (receipt) and copy of purchase order to Business Office, signaling payment to vendor.

#### **VENDOR**

The vendor receives purchase order- electronic copy (promise to pay), ships product, and sends invoice to Accounts Payable for payment.

*Payable when merchandise  
is received.*

## Purchasing Tips & Best Practices

- ✓ Check 3 vendors for the best price.
- ✓ Verify company's billing address, which is most often different than the company's purchasing address
- ✓ Don't order before a break; orders are often returned when no one is present to receive them.
- ✓ When your order arrives, verify receipt of all goods. Products will occasionally be missing.
- ✓ Purchases must be made during the current school year; product cannot be received or paid for during a current year for the use in the following school year.

## Why do we do this process anyway?

- ✓ Vendors are not overpaid because invoices are verified against requisitions.
- ✓ Purchases are approved to ensure alignment with program goals and legal budget requirements.
- ✓ State account code structures remains intact and reporting requirements can be met.
- ✓ Vendor can rely on prompt payment because information is complete and accurate; unnecessary late fees are avoided.
- ✓ Major audit issues can be avoided because good internal controls remain intact.
- ✓ Provides clear documentation and purchase records.
- ✓ Administrators and board members can rely on more accurate reporting to make informed decisions.
- ✓ Greater overall efficiency and savings

## P-Cards

P-Cards (purchasing cards) are like credit cards for school districts. They provide an alternative to the traditional purchasing process, allowing the employees to purchase goods and occasionally take advantage of discounts from companies who may not accept purchase orders. However, since P-Cards by- pass several steps in the business purchasing cycle, they can create issues or challenges for the district, thus should be used judiciously.

Here are just a few P-Card pitfalls:

- ✓ Internal controls are compromised
- ✓ Budgets are not current since purchases are not encumbered (monies not set aside and held for the purchase of the merchandise)
- ✓ **PAYMENT TO THE BANK RELIES ON TIMELY RECONCILIATIONS**
- ✓ Difficulty retrieving information on past purchases
- ✓ P-Cards are not allowed for purchasing *SERVICES* for the district, only goods.