

PURCHASING PROCEDURES



PURCHASING PROCEDURES: A QUICK REFERENCE

All requests for supplies, equipment and services that will obligate Boyd County Board of Education funds must be made on a district REQUEST/PURCHASE ORDER form. Products requested on a trial basis should also have a purchase order completed and approved prior to ordering.

Supplies, equipment and services ordered prior to obtaining an authorized purchase order constitutes an illegal purchase and payment will be the responsibility of the purchaser!

After your purchase order has been completed and signed by the principal or director (see Checklist for Purchase Order completion that follows) send all four copies and any necessary supporting documents to the Finance Department. You may want to retain a copy of the documents for your records.

When your purchase order is received by the Finance Department, your request will be reviewed to assure Model Procurement requirements have been met. Once approved, your purchase order will be signed by the finance director or a designee and assigned a number. The last copy of the purchase order will be returned to you.

The original (top white page) will be mailed or returned to you based on your instructions. Purchase orders with no mailing instructions will be returned to you. The Finance Department does not fax orders to vendors.

Remember, an approved purchase order gives you the authority to spend Board controlled funds. An approved purchase order is for use solely with the original vendor for the specific amount approved. **You cannot change the vendor, increase the amount or otherwise alter a purchase order. If the order must be cancelled, notify the Finance Department immediately to void it and free up funds for other purchases.**

What happens to the rest of the purchase order? The Finance Department keeps the receiving copy (pink) and the business office copy (yellow). After the invoice is received in the Finance Department, it and the pink receiving copy of the purchase order will be sent to you. Your responsibility is to review these documents, reconcile the receiving copy's information to the invoice by making changes on the receiving copy **in red and re-total the corrected amounts**. If you did not receive some of the items shown on the invoice or the invoice's prices are not correct, contact the vendor to request a credit memo be issued.

Only you know what items were delivered to you... this makes your verification of these documents vital. In the end, the total you approve for payment must match the total on the invoice minus any credit memos.

After reviewing these documents and making any necessary changes to the purchase order receiving copy, **sign and date the receiving (pink) copy** in the space provided at the bottom right corner and return it with the invoice to the Finance Department. **Do not hold invoices you receive directly from the vendor.**

If you make a personal pickup of items listed on your purchase order and receive an invoice or receipt at that time, please do the following:

1. Sign and date your receipt/invoice.
2. Put the purchase order number on the receipt/invoice.
3. Send the receipt/invoice to the Finance Department for processing.

When you receive the pink receiving copy of your purchase order and the invoice from the Finance Department, please verify that all of the items on the invoice have been received or canceled before returning them to the Finance Department for payment. **We do not want to pay for goods you have not received and we do not accept back orders!** When items are not available (out of stock), they should be canceled and re-ordered at a later date with a new purchase order.

NOTE: We cannot pay for your order until you return your signed and corrected (if necessary) receiving copy and invoice. Please help us help you receive the best service and pay your vendors in a timely manner.

CHECKLIST FOR PURCHASE ORDER COMPLETION*

- 1. Always use a blue or black ink ballpoint pen or typewriter to complete purchase orders.** Please press firmly because you are making three copies. Fill in the vendor's complete name and mailing address. This helps us identify the correct vendor. If the Finance Department is to mail the order, this information must be confined to the four (4) lines available.
- 2. If you mark "Mail: Yes," we will mail the order for you.** If you are telephoning or faxing your order or if you are picking it up from the vendor, mark "No" and we will return the vendor copy of the purchase order to you. If this section is left blank, the purchase order will be returned to you. The Finance Department does not fax or telephone orders.
- 3. Fill in the complete address where you want the order sent.** Mark it to your attention so it is sure to be delivered to you.
- 4. Write or print clearly the catalog number,** description of item, number of units, price per unit, and total cost of each item you are ordering.
- 5. Please limit your orders to a maximum of three pages.** If you need more than one page, use the "Page ___ of ___" section to tie the pages together. Do not crowd items together to keep from using an additional page.
- 6. Circle the appropriate number** in the Model Procurement box to correspond with the reason you have selected this vendor. Remember, numbers 2, 3, 4, 5, 6, 9, 12 and 13 require additional information written on or attached to the purchase order. If item number 6 is circled, you may be asked to obtain verification from the vendor. If no item in this box is circled, the purchase order may be returned to you. If you have questions concerning your vendor choice, contact the Finance Department.
- 7. Sign the "Requesting Teacher" block** and present the purchase order to the person who has authority over the funds to be used to pay for your order. If the source of funding is Board allocation funds (SEEK), ESS or Professional Development, this person is probably the principal. If someone else is responsible for the funds you wish to spend (i.e., federal grants, special education, etc.), the overseer of these funds is the person who needs to sign the center "approval" box.
- 8. If you do not know the correct MUNIS codes,** ask the person approving the purchase order to do this for you. Purchase orders received by the Finance Department with no MUNIS codes may be returned.
- 9. Once the "approval" signature has been obtained and dated,** the completed purchase order is sent to the Finance Department. Turn around time is normally 24 hours.
- 10. If you have questions** about any part of your purchase order, contact the Finance Department. Do not rely on the purchasing expertise of your colleagues.

*A copy of the front of a district purchase order follows for help in understanding this checklist.

PREPAY ALL SHIPPING CHARGES

REQUEST / PURCHASE ORDER

PREPAY ALL SHIPPING CHARGES

MAIL: YES ___ NO ___

INVOICE IN DUPLICATE TO



BOYD COUNTY PUBLIC SCHOOLS

BOYD COUNTY BOARD OF EDUCATION
1104 BOB McCULLOUGH DRIVE
ASHLAND, KENTUCKY 41102-9275
PHONE (606) 928-4141 • FAX (606) 928-4771

PURCHASE ORDER NO. _____

THIS PURCHASE ORDER NO. MUST APPEAR ON INVOICES, PACKING LISTS, PACKAGES, AND ALL CORRESPONDENCE.

TO: []

3 SHIP TO: _____

TERMS: PAYMENT OF INVOICES COVERING THIS ORDER WILL BE PAID WITHIN 30 DAYS AFTER DELIVERY IF NET, OTHERWISE SUBJECT TO YOUR REGULAR TRADE DISCOUNT CONDITIONS. NO BACK ORDERS ATTENTION: CATALOG NUMBER, ITEM - DESCRIPTION, SIZE, COLOR, ETC., NUMBER OF UNITS, UNIT PRICE, TOTAL COST. Fixed Asset?, Commodity Code. PLEASE CIRCLE APPLICABLE NUMBER. 1. Bid, 2. Competitive Negotiations, 3. Small Purchase, 4. State/Federal/Gov't. Agency/Price Contract #, 5. Emergency, 6. Single Source, 7. Perishable Items, 8. Replacement Parts, 9. Resale Item, 10. Licensed Professional or Technician, 11. Insurance, 12. Sale @ reduced prices, 13. Other/explanation: SUBTOTAL THIS PAGE, SUBTOTAL ALL PAGES, LESS DISCOUNT, PLUS SHIPPING CHARGE, GRAND TOTAL. REQUESTING TEACHER, PRINCIPAL/DEPT. HEAD APPROVAL, DATE SUBMITTED.

KENTUCKY SALES AND USE TAX BLANKET EXEMPTION CERTIFICATE NO. B-187. INVOICES SHALL BE APPLICABLE TO A SINGLE PURCHASE ORDER. WE WILL NOT BE RESPONSIBLE FOR CHANGES OF THIS ORDER UNLESS CONFIRMED AND PURCHASES ARE UNAUTHORIZED WITHOUT AN ORDER.

DO NOT BACK ORDER

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DATE PAID, CHECK NUMBER, AMOUNT PAID, ORG., OBJECT, PROJECT

INVOICE NUMBER, DATE AUTHORIZED, BUSINESS OFFICE, NOT VALID UNLESS SIGNED

*The numbers above correspond to the checklist on the preceding page.

CHOOSING A VENDOR

Vendors appearing on the district bid list or on KEDC's bid list should always be your first choice when buying goods or services. KEDC's bid list is available on CD or paper in the administrative office in your building or on line at KEDC's web site. The district list of approved vendors is available in paper form in your building or from the Finance Department. Some bid vendors may require you to use a code to receive your discount. Some bid vendors offer free shipping or other incentives. Please see the bid details attached to the vendor list in your building for additional information.

The majority of our approved bids are on vendors' catalogs or their store inventories. This means that everything in the catalog or store is covered by the bid, unless the vendor has stipulated otherwise. We can also take advantage of sale fliers and other special pricing; however our standard discount will not be applicable to these special prices.

Vendor bid pricing on state, federal and other government agency price contracts is also available to our district. When using one of these price sources you must write the contract number at the end of line number four (4) in the Model Procurement box on your purchase order.

Model Procurement allows us to use non-bid vendors when the situation is appropriate. These cases should be the exception rather than the rule. If there are vendors you think should be on our bid list that are not currently, please send their names and mailing addresses to the Finance Department. They will be solicited during the next cycle.

These items can be purchased from non-bid vendors **without additional explanation or backup:**

- Line #7 – Perishable items such as food
- Line #8 – Replacement parts not normally stocked
- Line #9 – Items for resale such as supplies in a school store or for fundraisers. Items sold to students for a profit should be bid.
- Line #10 – Use of a licensed professional or technician
- Line #11 – The purchase of certain types of insurance
- Line #13 – Other purchases exempted by the Model Procurement statute:
 - a. Items that qualify under the state textbook exemption
 - b. Items purchased on trips out of the school district
 - c. Buying or selling by students as part of the curriculum
 - d. Items purchased at a public auction or by sealed bid
 - e. Lease or contract payments when the original document was previously approved under Model Procurement

These items can be purchased from non-bid vendors **with additional explanation or backup:**

- Line #2 – Competitive negotiations... imply no bid vendor is available and circumstances make bidding disadvantageous
- Line #5 – Emergencies... can only be declared by the Board of Education
- Line #12 – Sale at a reduced price... refers to a product offered by a bid vendor but available at a substantially reduced price from a non-bid vendor
- Line #6 – Single source is the most abused reason for choosing a vendor. Single source is reserved for products where the vendor is the only source in the United States or within a particular sales territory. If you mark "Single Source" on your purchase order, you may be asked to obtain a letter from the vendor verifying this fact.

IMPORTANT LAWS AND POLICIES RELATED TO PURCHASING

KRS 45A.455 – Conflict of Interest, Gratuities and Kickbacks, and Use of Confidential Information: This law states that it is a “breach of ethical standards for any employee with procurement authority to” be involved with any aspect of purchasing decisions or contracts “in which to his (her) knowledge” he/she or any “immediate” family member has a financial interest. This prohibition also includes any business organization of which the employee or family member might be an officer, owner, or employee. It further states that offers of employment used to influence procurement decisions are violations. See the actual text of the law for complete details.

KRS 156.480 – Conflict of Interest: This statute prohibits employees from doing business with schools either directly or indirectly. Supplying goods or services at a cost to a school system while employed by the system may result in fines up to \$500 and loss of employment. See the actual text for complete details.

Board Policy 04.3111 – District Payment of Bills: This policy states that no bill can be paid without having a pre-approved purchase order, an invoice, and confirmation that the “invoiced materials were received in accurate quantity and in good order.” It also states that bills cannot be paid without the prior approval of the Board, with the exception of “contract salaries, payments to take advantage of discounts, and payments made to prevent penalties and disruption of services.”

Board Order No. 11, dated July 19, 1991: This Board Order outlines purchasing procedures. It states a “purchase request form shall be completed and submitted to the business office.” When the request is approved and signed by the Superintendent or the director of “financial affairs,” it becomes a purchase order. Purchases made without an authorized purchase order “shall become the personal liability of the person placing the order.” It also authorizes school principals to “purchase items with their activity funds consistent with all other purchasing regulations.”

