

Cedar Hill Independent School District

Purchasing Procedures

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Purchasing Procedures Overview

General Information

Texas Education Agency guidance states that “A District needs a strong control environment in which to perform the purchasing function.” Three activities govern a strong and successful control environment:

- A comprehensive financial/purchasing procedures manual.
- Monitoring purchasing activities by ALL employees for the procurement of goods and services.
- Training personnel on purchasing procedures.

The purchasing section of the *Financial Procedures Manual* is a primary tool for establishing a strong control environment and **MUST** be adhered to by **ALL** employees of the District.

Decentralized Decision Making

Cedar Hill ISD utilizes centralized purchasing, but also utilizes decentralized decision making to schools and departments. From a purchasing perspective this means the schools and departments (the end-users) determine **what** they need and **when** they need it. These subject matter experts determine how to best meet the needs of our students. However, the final commitment of District funds can only occur by the Purchasing Department.

General Purchasing Procedures

The following purchasing guidelines have been established in order to avoid delays in the processing of requisitions. Failure to follow these guidelines will result in delays to the approval process.

Under no circumstance are requisitions or requisition numbers to be used in place of purchase orders. Orders may not be placed until the requisition becomes an approved purchase order.

The Business Office maintains a webpage with valuable information including District forms and procedures/processes manuals. It is recommended that all District staff involved in entering requisitions be familiar with and refer to these webpages often. Business Services webpage: <https://www.chisd.net/Page/89>

Approved Vendors

An “**approved vendor**” is a vendor that has been awarded a Bid/Proposal through the CHISD competitive procurement process or through an interlocal agreement or purchasing cooperative. These vendors may be viewed on the Purchasing website under the Master Vendor List. Approved vendors are preferred because they have competed for business through the competitive procurement process and normally provide greater savings than a non-approved vendor. Also, they have submitted all necessary documents to be in compliance with state and federal regulations.

A list of “CHISD Approved Vendors” by bid/contract number and category can be obtained from the **Districts Purchasing [web page](http://www.chisd.net/Page/1612)** <http://www.chisd.net/Page/1612> under Staff Forms/Documents. This

information is updated monthly, so printed documents become outdated frequently. If unclear from whom to purchase a good or service, please contact the Director of Purchasing prior to contacting a vendor.

New Vendors

An “approved vendor” should always be sought out before requesting to add a new vendor. If an additional vendor is necessary, the campus or department must request an IRS form W-9 from the vendor. The W-9 should be sent to the Director of Purchasing with a brief description of what is needed to be purchased. The Director of Purchasing will decide if the vendor can be used or not depending on compliance with procurement laws and/or the vendor’s availability through purchasing cooperatives. The Director of Purchasing will notify the requestor of the vendor’s status once a decision has been made.

W-9 information must be on file in the Business Office from prospective vendors **before** requisitions may be submitted.

Vendor Demographic Changes

Vendors who need to change their name, address, phone, or other demographic information must submit a new W-9.

Requisitions

A requisition is an internal document by which a campus or department of the District requests the Business Office to initiate a purchase order. It is a request generated electronically (through the use of Skyward) for the purpose of ordering supplies, services, equipment, etc. in accordance with District purchasing guidelines. Once the requisition is submitted, the system immediately posts an encumbrance entry for each account code used. The encumbrance entry reduces the available budget remaining in those accounts.

Skyward provides extensive purchase order inquiry capabilities that permit the user to check the approval status of any requisition. Some requisitions, such as those for technology, federal funds, etc., must proceed through an additional level before receiving final approval.

Requisitions must go through the appropriate approval levels. This is achieved via the workflow approval process within the Skyward Finance system. After the requisition is entered, it will automatically be sent to the appropriate approver within Skyward. Once a requisition is approved through all levels; it is then reviewed by the Director of Purchasing and/or the CFO to ensure District purchasing guidelines are followed. If for some reason, requisitions are not approved, an email notification of the denial reason will be sent to all parties in the requisition process via the Skyward system.

Requisition Format

In order to avoid delays in processing, requisitions should include all information necessary to clarify and define the request of the department or campus.

Requisition information should include the following:

- Complete, specific, and accurate description of items to be purchased
- Quantity ordered, unit cost, shipping/freight costs, if any and total cost required
- Vendor name and address
- Appropriate account code to be charged
- Discounts, if any
- Delivery destination (campus, Admin Bldg., etc.) and “to attention of” included
- Special instructions for processing of the PO must be written in the “notes”.
- The appropriate narrative based on the vendor and/or description of the purchase

Requisitions received by the Business Office are reviewed for the following items prior to approval of a purchase order:

- Accuracy
- Adequate description
- Proper account coding
- Supporting documentation
- Vendor approval
- Overall completeness

Note: Split fund coding a single requisition is necessary when purchasing more than one item that requires different codes within the same requisition. An example of this would include the purchase of items for library supplies and award incentives. Library supplies would be coded 199-12-6399 and award incentives would be coded 199-23-6499.

A requisition initiated by CHISD staff is only a requisition until final approval by the Purchasing Director. Contacting a vendor to provide a PO number prior to final approval, or emailing a “print screen” of the entered PO or any other unauthorized document(s) is strictly prohibited and is a violation of these administrative regulations and subject to a number of disciplinary actions up to and including termination.

Purchasing Levels and Requirements

CEDAR HILL I.S.D. PURCHASING LEVELS AND REQUIREMENTS				
Purchase Commitment Amount	Support Required	RFP/RFQ	Board Approval	Advertising
Purchases with State and Local Funds				
For purchases using State and Local Funds \$49,999 or less	1 QUOTE	NOT REQUIRED * Required in the aggregate at \$50,000	NOT REQUIRED	NOT REQUIRED
For purchases using State and Local funds \$50,000 and above	1 QUOTES	COMPETITIVELY BID PROCUREMENT METHOD REQUIRED	REQUIRED (Contact Director of Purchasing)	If RFP/RFQ is used, Advertising is required *Minimum of two (2) weeks
Purchases with Federal Grant Funds				
For purchases using Federal Funds \$49,999 or less	1 Quote	NOT REQUIRED * Required in the aggregate at \$50,000	NOT REQUIRED	NOT REQUIRED
For purchases using Federal Funds \$50,000 or more	3 QUOTES	COMPETITIVELY BID PROCUREMENT METHOD REQUIRED	REQUIRED (Contact Director of Purchasing)	If RFP/RFQ is used, Advertising is required *Minimum of two (2) weeks
For purchases using Federal Funds over \$250,000	3 QUOTES COST/PRICE ANALYSIS	COMPETITIVELY BID PROCUREMENT METHOD REQUIRED	REQUIRED (Contact Director of Purchasing)	If RFP/RFQ is used, Advertising is required *Minimum of two (2) weeks

Purchase Orders

The following directives **MUST** be followed:

- All items and services must be procured using a purchase order
- The Issuance and approval of a purchase order must precede the ordering of goods and services
- Request for payment without a purchase order approved by the Business Office may become the responsibility of the person ordering the material or service.
- Any modifications to the original purchase order without approval may become the responsibility of the person ordering the material or service
- District employees **SHALL NOT** purchase supplies or equipment for personal use

Skyward is used to enter requisition information for standard purchase orders. Once a requisition is completely approved it becomes a purchase order and is assigned a purchase order number. Once a purchase order is issued, the same purchase order number cannot be reused for reorders. After a purchase order number has been assigned, the purchase order will be e-mailed to the appropriate vendor by the Business Office. A purchase order, once approved, is a binding commitment for the District to remit payment to the vendor after the item(s) and/or services are received. Once items are shipped and/or services performed, the vendor must submit a properly executed invoice to the Business Office to receive payment. Funds remain encumbered until the purchase order is closed, either by payment or cancellation of the purchase order. You may find instructions on requisition entry on the Purchasing webpage under Staff Forms/Documents.

Purchase Order Request Form

This form is an example for you to use internally. It can be modified to the campus/department needs and is **NOT** required to be sent to the Business Office or attached to a requisition. If the Business Office is requested to enter a requisition for a campus or department, this form with all appropriate signatures may be used to document pre-approval by the principal, director and/or Administrator.

Purchase Order Revisions

The requestor may not make changes to an approved purchase order. Before the order has been processed, if a need arises to revise a purchase order, the campus/department may send an email request with the proposed revision to the Director of Purchasing. The Business Office will be the sole judge of whether or not a revision is warranted. It may be advised that the purchase order be closed and resubmitted.

Purchase Order Closure

Prior to cancelling a purchase order, it is the responsibility of the campus/department to notify the vendor of the cancellation. In the event it becomes necessary to cancel a purchase order, the campus/department must advise the Director of Purchasing by email. The purchase order will be canceled causing Skyward to liquidate the funds encumbered. Purchase orders are valid for the current fiscal year only. All POs will be closed on June 30.

Backorders

The District does not accept backorders without prior approval. In the event a vendor notifies the campus, department, or Business Office of backordered items, each item will be assessed on a case by case basis. If it is determined that it is in the best interest of the District for items to be cancelled, the Director of Purchasing will notify the vendor. Upon receipt of the invoice, only the items received will be paid and the remaining funds from the purchase order will be liquidated.

Receiving

All purchase orders must be received in Skyward before payment is made. Monitoring the delivery and receipt of purchases is the responsibility of the campus/department receiving the items ordered. The receiving function in Skyward ensures that the District actually received what was ordered. All deliveries must be made to District facilities. Under no circumstance shall deliveries be shipped to employees at their home address.

Receiving Procedures

- It is imperative to receive (check in) items within 24 hours after receipt.
- Procedures should also be in place for receiving supplies during the summer and winter breaks.
- When packing slips accompany shipments, they should be used for assuring correct contents, quantities and description of items shipped.
- Invoices **must** be immediately sent to accounts payable if sent with the shipment.

In accordance with the Prompt Payment Act, invoices are overdue 31 days after the later of 1) the date the goods and/or services are received and 2) the date the District receives a correct invoice. **If interest or late fees are assessed due to late payment, the campus activity budget code must be used to pay the fee for the penalty. General and Federal Funds are not allowed to be used for interest or late fees.**

Campus/Department Responsibilities

- Be diligent in planning ahead to ensure requisitions submitted for approval transpire in a timely manner to allow for adequate review and revisions if necessary.
- If a vendor must be contacted to obtain information to prepare a requisition, the Campus/Department must explain to the vendor that the request for information does not represent a commitment to purchase.
- Monitor the purchase order and notify the Director of Purchasing of any cancelations of purchase orders.
- Contact the Director of Purchasing if a change to a purchase order is deemed necessary.

Business Office Responsibilities

- Shall not approve a requisition **after** the event or purchase has taken place (after-the-fact). In the event an “after-the-fact” purchase has taken place, documentation will be reviewed for approval or denial, and a course of action will be determined. The PDSA Form will be used to identify the issue and to put a plan in place so it will not reoccur.
- Shall review each requisition in a timely manner for completeness and accuracy, and verify that the proposed purchases are being made through approved sources.
- Shall verify correctness of account coding according to TEA rules of financial accounting.
- Shall have discretion to direct purchases through inter-local agreements (cooperatives) in order to save time and money.
- Shall work cooperatively with campuses and departments to resolve problems and questions.

Credit Card Procedures

Cedar Hill ISD has multiple credit card programs. We use vendor credit cards for the vendors who provide them. We use Citibank cards for all other district credit card purchases. All campuses and select departments have a Citibank credit card in their name. We have several Administration Citibank credit cards for district use. Cedar Hill ISD also uses Citibank travel cards for hotel payments and student meals. Citibank credit cards have a \$0 credit limit until a PO has been approved and funds have been loaded on the card.

General Credit Card Procedures (all credit card programs)

- All district credit card use requires an approved PO prior to the purchase.
- Requisitions for credit card use must have a signed Credit Card Request Form or quote attached to the requisition when submitted.
- Credit Cards are issued in the District’s name. The employee making the purchase is responsible for the security of the credit card and the transactions made with it. Failure to follow these guidelines may result in disciplinary action, up to and including termination.

- The Credit Card Program carries corporate, not individual, liability. This includes employee misuse. Discretion should be used in order to protect the credit card and the card number.
- Use cannot exceed the amount approved by the purchase order.
- The Cedar Hill Independent School District is a tax-exempt entity and does not pay state sales tax. The employee should be prepared, if requested by a vendor, to present a copy of the CHISD sales tax exemption form when making a purchase. This form may be obtained from the Business Office.
- Credits cards are to be returned within 24 hours of check out and must be returned with a copy of the receipt listing the PO number. **Never send cash or credits cards through campus mail.**
- The signed receipt must be attached to the PO within 3 days of purchase.
- The purchase must be recorded as received in Skyward.
- The credit card is not intended to avoid or bypass appropriate purchasing or payment procedures as outlined in Board Policy CH or this Purchasing Procedures Manual. These programs are intended to complement the existing processes available.

Vendor Credit Cards (Hobby Lobby, Home Depot, Kroger, Costco)

- Requisitions for the vendors listed above must be made out to the respective vendor. With an approved PO on file, the authorized employee may use the credit card with the appropriate vendor.
- Vendor credit cards will be issued through the Business Office. You must reserve a time to pick up a vendor credit card by emailing your request to Business.Office@chisd.net.

Citibank Credit Cards – For departments that do not have an assigned card

- The District credit card may be used to reserve a hotel, purchase airline tickets, or make purchases to approved vendors who only accept credit card payment.
- For online or over the phone credit card purchases, once a Citibank purchase order is approved, an email will be sent to the requestor with a password secured attachment containing the credit card information. You must call the Director of Purchasing to receive the password.
- For in store credit card purchases, once a Citibank purchase order is approved, the requester must reserve a time to pick up the Citibank card by emailing their request to Business.Office@chisd.net
- After the purchase is made, the receipt or order confirmation is to be attached to the purchase order.

Citibank Credit Cards – Campus/Department Citibank Cards

- A campus/department Credit Card may be used to reserve a hotel, purchase airline tickets, or make purchases to approved vendors who only accept credit card payment.
- After the credit card purchase order has been approved, funds will be loaded on the select card and the requester will be notified when the card is loaded and ready to use.
- After the purchase is made, the receipt or order confirmation is to be attached to the purchase order.

Citibank Credit Cards - Travel Credit Cards

- When using the district credit card, all travel arrangements shall be made in accordance with District Travel Policy.
- A PO is required to encumber the funds prior to the event. The responsible staff member will be notified when the travel card is available to pick up.

- If you need the travel card to reserve the hotel room, that request must be made in the notes of the requisition, otherwise, the reservation should be made on the traveler's personal credit card.
- Hotel receipts are required to be attached to the PO within 3 days after your return.

Contracts

Contracts must be reviewed by the Business Office prior to being signed and approved by the Superintendent or Designee. Contracts valued at \$49,999 and under may be signed by the appropriate Chief. Contracts valued at \$50,000 and above must be signed by the Superintendent. District Contract documents may be accessed via the "Secretaries" Google Drive or by request sent to the Director of Purchasing and Contracts Management.

- District staff may use the "Do I need a Contract - Flowchart" to help determine if a contract is needed and the appropriate steps to follow.
- All contracts must have the "Contract Review Form" attached before they are submitted to the Business office for review.
- If the contractor does not provide their own agreement, district staff are required to use the "Template for Contracted Service Agreement".
- District staff are advised to review the "CHISD Contracts - Signature Authority" document to decide who has signature authority for the specific contract.

Special Purchasing Procedures

Open/Blanket Purchase Order

An open/blanket PO is issued to an approved vendor authorizing purchases from that vendor until a specific period of time, the end of the year (June 30) or until the funds are dissolved. Each time you use a portion of the open/blanket PO, you must scan and attach the signed receipt to the PO. Additionally, a receiving record must be entered in Skyward.

Open/blanket PO's are valuable because they allow the purchase of items quickly. Both paperwork and related processing costs usually are reduced by open/blanket PO's. However, open/blanket PO's *must* follow certain criteria: 1) a specific time frame for purchases to be made, 2) a limitation on the maximum dollar amount, 3) identification of authorized purchasers and 4) a statement stating "open/blanket PO." Open/blanket PO's are issued so that supplies, materials, or services are available "as needed" by campuses or departments. For example, open/blanket PO's may be requested in order to eliminate numerous individual purchase orders for small dollar-value items.

Open/blanket PO's *must* include the following:

- A specific date timeframe (day and month) for the beginning/ending purchase order to cover within one calendar month in which the purchase is to be made.
- "OPEN/BLANKET PO" must be stated on the requisition
- A total amount "not to exceed" dollar amount. Note: It is imperative that "OPEN/BLANKET PO" statement requests be entered as a line item (narrative 24) and not put in the description.

- A detailed description of the types of items that will be purchased, such as classroom supplies, tutoring services, snacks for testing, test printing, etc. Using generic terms such as “supplies, materials, or services” is NOT considered an adequate description. Try to include “who” and “what”. Examples: “snacks for students during testing days” or “tutoring for 3rd grade at-risk students.”

eCommerce Purchase Orders

eCommerce requisitions allow the user to “punch out” to the vendor’s website to create a shopping cart. Once the cart is submitted within the website, you are re-directed back to Skyward to complete the requisition. To create an eCommerce requisition you will select “Add from Online Catalog”, instead of “Add” when starting your requisition. Other vendors will be added to eCommerce as they become available. You may find instructions on eCommerce requisition entry on the Purchasing webpage under Staff Forms/Documents.

Technology Purchases

The Technology Administrative Assistant must initiate all technology software, hardware, and peripherals purchases. All technology assets are tested before purchase to ensure compatibility. Please allow time for Technology staff to test products if the equipment or software is new to the District. The purchase will be evaluated on the following criteria:

- Appropriateness to the educational setting
- Compatibility with existing systems
- Need
- Existing District standards

In order for the Technology Department to better serve campuses through the support and identification of technology items, it is imperative to adhere to the following procedures:

All purchase orders for Technology items (laptops, monitors, projectors, computers, printers, scanners, etc.) must be submitted to Technology through a CHISD Helpdesk ticket. The Helpdesk will read the ticket, get a quote from the vendor, email the campus with the quote and request a budget code. The Technology Department Administrative Assistant will originate a purchase order to the appropriate vendor. The Technology Department will ensure the items are processed and delivered (by District Technicians) to the campus/department in a timely manner to the person who originated the request.

Federal Funded Purchases

Federal Funded purchases often require additional steps and documentation. Please refer to the Purchasing Levels and Requirements portion of the manual to determine the required number of quotes and other requirements needed. There are also Allowability Forms that must be attached to the requisition. Please contact the Federal Grants Coordinator for more details.

Check Requests

When an invoice is received and there is no approved purchase order in place, the responsible campus or department must submit an online check request through Skyward. The invoice must be

attached and a brief description must be included in the notes explaining why the PO process was not followed. The PDSA Form will be used to identify the issue and to put a plan in place so it will not reoccur. In some cases, entering a check request will require disciplinary action. Instruction on entering a check request can be found on the Purchasing webpage under Staff Forms/Documents.

Payments to Employees

Employees who perform services for the District that are unrelated to their assigned role, such as athletic games, tutoring, etc., must be paid through the payroll system as Supplemental Pay on an Add/Change/Delete Form, not with a purchase order.

Employees are not allowed to work as contracted vendors. Individuals cannot be employees and contractors of the District at the same time per IRS regulations.

Employee Reimbursements

Employee reimbursements are paid through the Accounts Payable system in Skyward. Employees requesting travel reimbursement must first be set up as a vendor. To enter a new employee in Skyward, you must email the employee name and home address to the Director of Purchasing. The requestor will be notified once the employee is set up. Reimbursement checks will be mailed to the employee's home address after they travel.

Travel reimbursements are subject to the District Travel Procedures.

Reimbursement requests from employees who have paid a vendor for services rendered without prior approval to do so will be denied. All services must be paid directly to the service provider on a District issued check.

Sales tax will not be reimbursed, except tax on individual meals incurred during the course of travel and included in the employees per diem. Group meals for students are not taxable.

Expenses for alcoholic beverages are not reimbursable from any funding source of the School District.

Professional Memberships

Professional memberships are an allowable District expenditure. Membership renewals should be encumbered with a PO at the beginning of the year, so a check request is not needed.

Professional Liability Insurance

Professional liability insurance is a personal benefit, not a District benefit. Therefore, professional liability insurance is not an allowable District expense unless it is included in professional membership dues AND is not optional for the membership.

Registrations and Entry Fees

District employees may not register without an approved purchase order. Requests for payment of registration or entry fees for workshops, conferences, seminars or student competitions must include

a copy of the completed registration form, approved District Request to Attend Conference/Workshop or Approval Request for Student Trip and any other documentation necessary to substantiate the registration or entry fee amount requested. **(In-state events must be approved by the principal/director and out-of-state events must be approved by the superintendent.)**

A list of participants for which a fee is being requested must accompany all requests.

The inclusion of banquet, tour, or special event fees must be justified as part of the request for payment.

Requests should be submitted timely as to avoid the payment of late registration fees by the District, and an attempt should always be made to obtain Early-Bird pricing.

Gift Cards

Gift cards are not allowable using any type of district funds; no exceptions.

Flowers

Flowers purchased for decorations at an event (Ex: graduation, baccalaureate) are allowable, and should use object code 6499. Flowers for the purpose of bereavement may only be purchased using activity funds and must be approved by the sponsor or group.

Faculty Funds (aka Sunshine/Benevolence/Social Funds)

The Sunshine Committee may collect funds for benevolence, bereavement, or staff social activities through the campus' 865 account with local code 701. All expenditures for hospitality, condolence, or any other purpose for the sole benefit of school personnel shall be paid out of Faculty funds. Faculty funds are defined as social funds generated or contributed solely by school personnel to be utilized and expended at the school's discretion. Faculty funds may be expended at the staff's own discretion with principal approval as long as the expenditure falls within the boundaries of District policy. It is best practice for the campus to form a committee that makes decisions and approvals concerning the use of faculty funds. Faculty funds are not subject to purchasing and bid laws because they are not District funds; the funds belong to the faculty. However, this fund must follow the District policy of no gift cards.

Meals/Snacks

Working lunches for participants who are cloistered in an all-day (at least six hours) meeting or training session are allowed. A working lunch is defined as an activity in which staff or participants are engaged in exercises/activities during the normal meal time as stated on an agenda and in which no other opportunity for a meal is provided. The agenda must be maintained that clearly identifies the exercise or activity that the participants are engaged in and should retain a representative sample of the work product.

Snacks are allowable within reason when they support the educational process of the school.

Snacks for test days would be an example of supporting the educational process. General funds may be used for this purpose. Snacks for students must meet the minimum nutritional value as required by Federal Law and submitted for approval to Child Nutrition Services.

Examples of snacks: granola bars, yogurt, chips, juice, drinks, fruit, etc.

Campuses/Departments are limited to providing 3 meals per fiscal year for staff. Meal cost may not exceed the current year CHISD per diem amount per employee. Meal cost is meant to be an inclusive term identifying food cost, beverages, paper goods, gratuities, delivery, set up, décor and any other related fee. A snack for employees is allowed only when presented as refreshments served at a faculty meeting, not as an incentive or treat. The limit is \$1 per person, per month.

Apparel

Campuses/Departments are limited to one apparel item per fiscal year. Apparel cost is limited to \$20 per employee and is all inclusive of delivery, set up, design, and any other related fee.

Departments who need uniforms for identification purposes are limited to two dress type, collared shirts per year, not to exceed \$50 per employee. Auxiliary departments requiring everyday uniforms are exempt from this requirement. Exceptions to this procedure may be granted in writing by the Superintendent.

Gratuity/Tips

Gratuity and tips are allowed on non-federal funded purchases for meals. The amount must not exceed 15%.

Field Trip Transportation

Trip requests needing district bus transportation are entered through Travel Tracker. A requisition to pay for the transportation is also required to be submitted at the same time a trip request is entered.

If a limo or charter bus is used to transport students (other than District Buses) the campus/organization must request that the owner provide the District with a Certificate of Insurance naming the District as an additional insured. This form must be sent to the Business Office to be attached to the vendor record. A new Certificate of Insurance must be provided when the insurance expires. If the company is not willing to make the District an additional insured, then the campus/organization cannot use that company to transport students.

Employee vs. Independent Contractor

Employees may not be set up as vendors for the purchase of supplies or services because the employee cannot receive both a W-2 Wage and Tax statement and a 1099 Miscellaneous Income statement from the same employer. The exception to this rule is if the employee has a business with a registered Employer Identification Number. The supplies or services provided cannot be related to the employee's job description and cannot be provided or worked on during the employee's regular work day. The employee's business must complete a Conflict of Interest Questionnaire.

Common Law Rules

Facts that provide evidence of the degree of control and independence fall into three categories:

1. Behavioral: Does the company control or have the right to control what the worker does and how the worker does his or her job?
2. Financial: Are the business aspects of the worker's job controlled by the payer? These include things like how the worker is paid, whether expenses are reimbursed, who provides tools/supplies, etc.
3. Type of Relationship: Are there written contracts or employee type benefits (i.e. pension plan, insurance, vacation pay, etc.)? Will the relationship continue and is the work performed a key aspect of the business?

The district must weigh all these factors when determining whether a worker is an employee or independent contractor. Some factors may indicate that the worker is an employee, while other factors indicate that the worker is an independent contractor. There is no "magic" or set number of factors that "makes" the worker an employee or an independent contractor, and no one factor stands alone in making this determination. Also, factors which are relevant in one situation may not be relevant in another.

The keys are to look at the entire relationship, consider the degree or extent of the right to direct and control, and finally, to document each of the factors used in coming up with the determination.

Independent Contractor

The general rule is that an individual is an independent contractor if you, the person for whom the services are performed, have the *right to control or direct only the result of the work and not the means and methods of accomplishing the result*. **The IRS 20-factor, right-to-control test is used to assess an employer's classification of whether a person is an employee or independent contractor, in addition to considering the degree of control the employer exercises, it takes into account the degree to which the workers are economically dependent on the business.**

Employee (Common-Law Employee)

Under common-law rules, anyone who performs services for you is your employee ***if you can control what will be done and how it will be done***. This is so even when you give the employee freedom of action. What matters is that you have the right to control the details of how the services are performed.

Fixed Assets

Fixed Assets are purchases of Land, Buildings, and Equipment that have a per unit cost of \$5,000 or more and a useful life of more than one year. These will be coded to a 66XX object code.

Allowable/Unallowable Incentives, Awards, Appreciation Purchases

District Funds (199 Funds) and Campus Activity Funds (461 Funds) may be used to purchase allowable staff and student incentives as noted below. To stay within IRS de minimis meals guidelines, the number of meals purchased with District Funds (199) is limited to three meals per

year per employee and the cost of each meal shall not exceed the current year CHISD per diem amount per employee.

Student Activity Funds (865 Funds) may be used to purchase student incentives, awards and meals. The president or treasurer of the student organization must approve all expenditures (purchases, transfers, reimbursement, etc.) from the organization’s account. Student incentives shall not violate UIL Guidelines. Travel expenses for sponsors/teachers who must accompany their students on a trip may be paid from the organization’s account.

Sunshine Account Funds may be used to purchase meals, gifts and incentives for staff.

DESCRIPTION	199 FUNDS	461 FUNDS	865 FUNDS
Gifts or items that appear to be gifts for occasions such as birthdays, holidays, staff appreciation, Secretary’s day, etc. (allowed from Sunshine Funds only)	Not Allowed	Not Allowed	Allowed
Snacks and beverages for students Cookies, pretzels, chips, water or snacks from the Food Service Department	Allowed	Allowed	Allowed
Meals for students (pizza, hot dogs, sandwiches and other food items that could be considered to be a meal)	Allowed	Allowed	Allowed
Meals for staff/faculty (sandwiches, pizza, breakfast tacos and other food items that could be considered to be a meal)	Allowed (see above)	Allowed	Not Allowed
Refreshments and snacks for meeting with parents and community members.	Allowed	Allowed	Not Allowed
Apparel and school spirit items such as cups, book covers, umbrellas, caps, etc.	Allowed	Allowed	Allowed
One shirt per employee per year (District or school’ name should be embroidered or printed on shirt)	Allowed	Allowed	Not Allowed
Shirt and/or cap for each member and the sponsor of a student organization (from funds collected from each individual or funds raised by the group for this purpose)		Allowed	Allowed
School spirit item (t-shirts, cups, book covers, caps, etc.) for all students and employees in support of a school-wide activity or event (one activity or event per year).	Allowed	Allowed	Not Allowed
Items provided to all members of a class, grade level or student activity fund club/organization	Allowed	Allowed	Allowed
Cash or gift cards to staff or students	Not Allowed	Not Allowed	Not Allowed
Reasonable Award items such as trophies or plaques to a student based upon merit or special achievement, within UIL guidelines.	Allowed	Allowed	Allowed
Electronics and other expensive items provided to individual students for perfect attendance or academic achievement (I-Pad, bicycles, laptops, etc.)	Not Allowed	Only through a fundraiser	Allowed
Flowers for death or illness of an employee, student or immediate family member of an employee or student	Not Allowed	Not Allowed	Allowed if authorized by the group
Loans to employees, parents, or students for any reason	Not Allowed	Not Allowed	Not Allowed
Improvement of campus and site facilities such as plants, bulletin boards, signs, and flags	Allowed	Allowed	Allowed
Expenses and purchases related to sales of items for fund-raising activities	Not Allowed	Allowed	Allowed
After hour security for school sponsored or student sponsored activities	Not Allowed	Allowed	Allowed
Tickets for school-related functions when attendance is required of or by the Principal (State of the District, etc.)	Allowed	Allowed	Allowed
Alcoholic beverages, tobacco products, controlled substances, lottery tickets, raffle tickets, firearms, and other weapons	Not Allowed	Not Allowed	Not Allowed
Payment of expenses of spouses or other non-employees	Not Allowed	Not Allowed	Not Allowed
Traffic citations and auto repairs for employee’s personal vehicle	Not Allowed	Not Allowed	Not Allowed
Transfer of funds to the hospitality/faculty accounts (unless correcting a prior error)	Not Allowed	Not Allowed	Not Allowed

Glossary of Terms

Encumber – to hold or reserve money, by the use of a PO, for a future expense.

Requisition - an electronic request form in the Skyward Finance system used for obtaining approval to purchase a product or service .

Purchase Order (PO) -the signed written acceptance of the requested requisition. A PO serves as the legal and binding contract between the District and the vendor.

Open/Blanket Purchase Order (PO) – refers to a PO that is issued to cover a certain period of time (month, semester, year, etc.).

Open Purchase Order (PO) – refers to a PO, in which items have been partially received and not officially closed, or a PO that has not been paid.

Quote – a specific determination of the cost, timing, description and terms associated with a projected good or service to be provided by a supplier to the campus/department.

Invoice- a commercial document issued by a seller to the campus/department, indicating the products, quantities, and agreed prices for products or services the seller has provided the buyer.

Packing/Shipping Slip - is a document that accompanies delivered packages, usually inside an attached shipping pouch or inside the package itself. It commonly includes an itemized detail of the package contents and does not include customer pricing. It serves to inform all parties, including transport agencies, government authorities, and customers, about the contents of the package.

The following ADMINISTRATIVE ACTION may be applied due to failure to comply with District Purchasing Policies and Procedures:

1. Modification of campus/department approval process.
2. Reflection in employee's evaluation.
3. Mandatory training at the expense of the campus/department.
4. Employee's purchasing rights are revoked.
5. Administrative disciplinary actions for violating CHISD Board Policy CH (LEGAL & LOCAL), procedures, and guidelines related to financial procedures.
6. Termination.