



District Purchasing “How To” and Other General Information

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OVERVIEW

The Purchasing Department of the Grand Prairie Independent School District is part of the Business Operations Department and responsible for the organization and administration of the purchasing/procurement functions for the district following the authority delegated by the Superintendent and Board of Trustees.

The primary function of the District's Purchasing Department is to meet the product and service needs of the district by:

- Obtaining the best product at the lowest cost to the taxpayer while following all federal, state, and local laws as well as District policies and guidelines.
- Achieving a dependable and prompt delivery for the requesting school or department.
- Promoting competition among bidders.
- Ensuring an equal opportunity for all vendors to secure District business.
- Educating and informing all vendors about District rules, regulations, and methodology that are the basis for bid awards.

As a support organization of the district charged with the acquisition of goods and services requested by instructional and administrative departments, the Purchasing Department will function in a manner consistent with applicable laws, School Board policies, the Uniform Commercial Code and other sound business practices.

The Purchasing Department shares with the Business Office and other fiscal offices the responsibility of expending District funds in such a manner that will meet all requirements of the State, Federal, and District procurement regulations and safeguard the public trust.

Effective purchasing is a cooperative venture between the Purchasing Department and the schools and other departments within the district. The purpose of this manual is to provide guidelines and procedures for the Purchasing Department staff and others involved in the procurement process throughout the district.

Situations will undoubtedly arise that are outside of these procedures. The Purchasing Department staff are available to discuss and/or aid in any special situations or needs and will facilitate a solution in the best interest of the students and staff of Grand Prairie ISD. The purchasing procedures contained in this purchasing manual are intended to follow all applicable laws, policies, and procedures. In case of conflict, the appropriate law or policy shall prevail.

GENERAL STANDARDS AND ETHICS

Ethics relating to conflicts of interest, monetary interests in firms conducting business with the district, kickbacks, gratuities, and improper use of a position or confidential information are clearly communicated throughout the district.

Additionally, District personnel should be aware that under the Education Code, Chapter 44.031, as well as other state and federal statutes regarding the expenditure of public funds, there are penalties for violations of purchasing processes which can include criminal prosecution and loss of employment opportunities.

There are certain common standards of ethics which govern the conduct of employees involved in the purchasing function. The fundamental standards for the Grand Prairie ISD purchasing processes are as follows:

- It is a breach of ethics to attempt to realize personal gain through employment with a public school district by any conduct inconsistent with the proper discharge of the employee's duties.
- It is a breach of ethics to attempt to influence any public employee of a district to breach the standards of ethical conduct set forth in this code.
- It is a breach of ethics for any employee of a district to take part directly or indirectly in a procurement when the employee knows:
 - The employee or any member of the employee's immediate family has a financial interest pertaining to the procurement.
 - A business or organization in which the employee, or any member of the employee's immediate family, has a financial interest pertaining to the procurement; or
 - Any other person, business, or organization with whom the employee or any member of the employee's immediate family is negotiating or has an arrangement concerning prospective employment participates in the procurement.
- Gratuities: It is a breach of ethics to offer, give or agree to give any employee or former employee of a school district, or for any employee or former employee of a school district to solicit, demand, accept, or agree to accept from another person, a gratuity or an offer of employment in connection with any decision, approval, disapproval, recommendation, preparation of any part of a program requirement or purchase request, influencing the content of any specification or procurement standard, rendering of advice, investigation, auditing, or in any other advisory capacity in any proceeding or application, request for ruling, determination, claim or controversy, or other particular matter pertaining to any program requirement or a contract or subcontract, or to any solicitation or proposal therefore pending before this government. Acceptance of gratuities may be construed as a criminal offense.

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- In addition, Texas law makes a gift (an item valued at \$50 or more, cash of any amount, or a negotiable instrument of any value) to a public employee a Class A misdemeanor if the employee is someone who exercises some influence in the purchasing process of the governmental body. (Texas Penal Code, 36.09 [d] and [h]). District policy on Conflict of Interest and the reporting requirements can be found under District Board Policy-DBD.
<https://pol.tasb.org/PolicyOnline/PolicyDetails?key=365&code=DBD#legalTabContent>
 - Kickbacks: It is a breach of ethics for any payment, gratuity or offer of employment to be made by or on behalf of a subcontractor under a contract to the prime contractor or higher tier subcontractor for any contract of a school district, or any person associated therewith, as an inducement for the award of a subcontract or order.
 - Contract Clause: The prohibition against gratuities and kickbacks prescribed above should be conspicuously set forth in every contract and solicitation, therefore.
 - It is a breach of ethics for any employee or former employee of a school district knowingly to use confidential information for actual or anticipated personal gain, or for the actual or anticipated gain of any person.

Local Government Code, Chapter 176 provides information regarding conflict-of-interest statements to be filed by vendors and certain school district employees. Refer to the [Texas Ethics Commission](#) website for additional information and sample forms.

PURCHASING LIMITS

Schools and departments are encouraged to use vendors currently under contract with the district for all procurements, or a competitively bid contract through one of the Purchasing Cooperatives in which the district participates. Purchases through awarded contracts must follow the terms of the awarded contract. If the contract calls for competitive quotes from awarded contract vendors, then competitive quotes will be required for any expenditure under that contract.

For purchases of personal property or services, schools and departments will be allowed to purchase using the Best Value criteria for the individual transaction, with the following guidelines:

- All purchases require a written quote from a vendor, except from the district used E-Commerce vendors.
- The “attempt” to obtain written quotes **MUST** be documented by supplying copies of all emails sent to vendors. The quote request should state both the date and time for the quotes to be returned. Multiple vendors **MUST** be allowed to submit a quote for the property, or services requested. When using federal funds, three quotes are required when the purchase exceeds \$49,999 within the commodity code referenced on page 39 of the District Purchasing Operations and Procedures Manual.

For any purchases of commodities or services over \$50,000 in total for the fiscal year, the Purchasing Department should be contacted so that a formal competitive procedure can be followed in the procurement process. The Purchasing Department will assist the campus or department in following the statute requirements for competitive procurements and in preparing the contract recommendations for Board consideration if the total contract award exceeds \$250,000.

CONFLICT OF INTEREST

Local Government Code Chapter 176 provides information regarding conflict-of-interest statements to be filed by vendors and certain school district employees.

The Texas Conflict of Interest statutes apply to the district's officers and elected officials. There are specific rules regarding what constitutes a conflict of interest regarding a business transaction or real property transaction. For more information, please review the information provided on the Texas Ethics Commission website, www.ethics.state.tx.us.

For expenditures from federal funds, District employees should be aware that the rules regarding conflict of interest are more stringent than the State requirements. For federal fund expenditures the rule states "neither an employee administering, directing, or authorizing the expenditure of federal funds, nor members of the employee's immediate family, can have a financial interest in a vendor or his/her company involved in the procurement transaction involving these funds."

District policy on Conflict of Interest and the reporting requirements can be found under District Board Policy-DBD.

The district will impose appropriate sanctions or disciplinary actions, including, but not limited to, termination and/or prosecution, for any employee or officer who violates any of these requirements related to standard of conduct and conflict of interest. 2 CF § 200.318(c)(1).

See Board Policy CBB Legal

CREDIT CARD PURCHASES USING FEDERAL FUNDS

Campuses and departments will follow the same process to make purchases using a credit card as they do with any purchase when using Federal funds. They must:

- Attempt to obtain three quotes from vendors providing like or equivalent products and/or services.
- When entering the requisition to the credit card vendor, the following documents must be attached:
 - A copy of the email sent to request the quote
 - A copy of each email sent to request the quote
 - A copy of each email response from the vendors
 - A copy of each vendor's quote
 - A price comparison worksheet
 - An electronically signed obligation form for the individual making the purchase
 - The requisition must have a line item for each item being purchased. No "as needed" requisitions can be entered when using federal funds.
 - Once the requisition becomes a purchase order the following process must be followed:
 - Only those items listed on the purchase order may be purchased
 - No substitutions are allowed when using federal funds
 - Only the quantities list on the purchase order may be purchased
 - Only purchase items that reflect the pricing on the purchase order
 - An itemized receipt must be returned with the credit card after the purchase has been made.
 - The purchaser is responsible for making sure the receipt is itemized, and no taxes are on the receipt. If taxes are listed, the purchaser is responsible for having the taxes removed and a new itemized receipt issued.

TRAVEL USING FEDERAL FUNDS

There are EDGAR guidelines relating to travel using Federal funds. These guidelines state that funds cannot be encumbered or expensed until after the travel has taken place. For the district to be compliant with EDGAR guidelines, the following steps must be followed when entering a requisition for travel:

- Requisitions for travel must be entered using your 199 or activity fund accounts. Once the event/conference takes place, the account code can be changed to the Federal funds account (account code change can only occur if the purchase order has not yet been paid):
For example:
 - If you enter a requisition for airline tickets, you will use your 199 or activity fund account, once the traveler leaves for the trip, the account code can be changed to the Federal account and the vendor paid for the airline ticket.
 - The same process will follow for the rental car, hotel, etc.
- The exception is the funds for meals. Because the meal per diem is deposited in the traveler's personal bank account prior to them leaving, a journal entry for this expense can be entered to place to funds back to your federal fund account. The traveler **MUST** keep their receipts and return the receipts to the campus/department secretary/finance clerk.
- It is the responsibility of the campus/department secretary/finance clerk to keep track of these requisitions and communicate with finance when the change needs to be made and the account code to use for the journal entry. The amount that can be moved back to your 199 or activity funds is only the amount of the actual expense.

REQUISITION PROCEDURES

A requisition is an internal document by which a campus or department requests a purchase order. As the requisition information is entered and approved, the system will immediately post an encumbrance entry for each account code used on the requisition. The encumbrance entry reduces the available budget in those accounts.

Budget Codes

When determining the budget code to use for your purchase, you must use your budgets in the following order:

1. Title Funds must be used **first**. If the materials/services you are purchasing do not qualify for Title Funds, then you use
2. Grant/Donation Funds **second**. If the materials/services you are purchasing do not qualify for Grant/Donation Funds, then you use
3. SCE Funds (199 General) **third**. If the materials/services you are purchasing do not qualify for SCE Funds, then you use
4. General Funds **fourth**.

If you submit a requisition using your general funds and it qualifies for Title Funds, your requisition will be denied, and you will be asked to obtain the three quotes and follow the EDGAR process if the commodity code has reached the \$49,999 aggregate or if the purchase is over \$49,999.

Requisitions are reviewed daily, in the order they are received, and processed as a district approved purchase order.

Line-item requisitions will require itemized vendor quotes to be attached before they are processed. **An “as-needed” requisition CANNOT BE ENTERED to bypass the multiple quote requirement.** A department/campus budget leader may implement a lower dollar amount quoting threshold.

Split Coding

You can split code requisitions. If you have requests to enter a requisition from different staff members which will require a different budget code, you can enter the requisition and add the different budget codes. Do not enter a separate requisition to the same vendor because you need to use different budget codes.

Amazon, Office Depot, and Staple Orders

Amazon and Office Depot Orders have a twenty (20) line-item limit. If you enter a requisition with more than twenty (20) lines, it will be denied.

There is a \$35.00 minimum order requirement for Amazon/Office Depot and Staple orders. Requisitions entered to one of these vendors that are under \$35.00 will be denied. You can combine orders and use multiple budget codes on your requisitions.

There are no longer Amazon, Office Depot, and Staple order deadlines. It is the responsibility of the requisitioner to look at the district calendar and know when the district is closed and if there is enough time for their order to be received before the district closes for any holidays.

Gift Cards and Gifts

Gift cards are not permissible with ANY district or activity fund account. A gift card could be considered taxable compensation based on current IRS regulation and reporting rules.

Gifts to employees not associated with an employment obligation or expectation are not permissible in most circumstances.

Gifts to students when associated with an educational purpose or need are permissible under the spending provisions of HB (House Bill) 3646. Student recognition items and school supplies for economically disadvantaged/at-risk students are acceptable purchases.

Meals

Meals provided to staff for end-of-year holiday celebrations, etc., we suggest you use your Sunshine funds.

Local funds may only be used to purchase light refreshments for staff meetings and/or events where small groups are gathering. An agenda is required to be attached to all requisitions when local funds are used.

Local funds may be used only to purchase boxed lunch items for staff development, **mandatory** district meeting, staff working lunch, or mandatory testing day(s) to conduct the meeting more efficiently. An agenda is required to be attached to all requisitions when local funds are used.

If you want to provide your staff with something other than a boxed lunch for staff development, mandatory district meeting, staff working lunch, or mandatory testing day(s), you are required to use your activity funds for the purchase. An agenda does not have to be provided when using your activity fund.

Shirts

Departments and campuses are NOT allowed to use local funds to purchase staff shirts. The exception to the above statement will be those departments and campuses requiring staff to wear uniforms (5 days a week), ex: transportation, child nutrition, maintenance & operations, Beyond the Bell, and security. Campuses are required to purchase all staff shirts from their activity funds.

A purchase order, once approved, is a binding commitment for the district to remit payment to a vendor after the item(s) and/or services are received. **NO PURCHASING COMMITMENT SHALL BE MADE TO ANY VENDOR WITHOUT AN APPROVED PURCHASE ORDER.**

Per CH(Local), all purchase commitments shall be made by the Superintendent or designee in accordance with administrative procedures, including the district's purchasing procedures. The district will not be held responsible for items/services ordered without an approved purchase order. **Invoices received without a referenced district purchase order could be the responsibility of the person or person(s) who placed the order.**

PURCHASING VIOLATIONS

Failure of an employee to follow the above procedures constitutes a purchasing violation. Campus/Departments submitting a purchase requisition to the purchasing department for a good or service already ordered or received (after the fact) by the requesting campus/department will be subject to the following administrative actions:

- **First and Second Violation** – If the purchase violation is the employee/user’s first or second violation notice in a fiscal year, the Director of Purchasing will issue a letter to the employee/user responsible for making the commitment and the employee’s immediate supervisor/principal/director. The letter will inform the employee/user and supervisor/principal/director of the district’s guidelines, the proper purchasing procedures and any administrative actions that will be taken if additional violations. Additionally, a letter will be mailed to the vendor to inform them of the district’s purchasing guidelines which require a purchase order prior to filling an order for delivery good and/or services.
- **Third and Subsequent Violations** – If an employee/user has more than one or two purchase violations within a fiscal year, the Director of Purchasing will issue a letter to the employee/user responsible for making the commitment and the individual’s supervisor/principal/director. The letter will inform the employee/user and the employee’s direct supervisor of the district’s guidelines and the proper purchasing procedures. The letter will also require the person responsible for the purchase to submit a memorandum to the Deputy Superintendent of Business Operations explaining why the proper purchasing procedures were not followed and what actions will be taken in the future to avoid additional violations.
 - Based upon the justification provided, the district may take any action(s) considered appropriate for the infraction. Actions may include, but are not limited to, the following:
 - Accepting the explanation, approving the purchase, and paying the invoice,
 - Issuing a warning letter,
 - Issuing a letter of reprimand, or
 - Requiring the employee to pay for the goods and/or services.

To ensure non-compliance does not occur, each department/campus budget manager will be responsible for ensuring all requisitions have all proper documentation, budget coding, etc. This responsibility must occur every time a requisition is in the approval queue to process.

PURCHASE ORDER INFORMATION

▼ Master

Vendor: ALLEN GIOVANNI 6010 SAINTSBURY DRIVE APT 124 THE COLONY, TX 75056	Ship To: GRAND PRAIRIE FINE ARTS ACADEMY 102 GOPHER BLVD. GRAND PRAIRIE, TX 75050
Group: (001) GP Fine Arts Academy	Attention: BEATRIZ BECERRA
Entered Date: 04/24/2018	Due Date: 04/24/2018
Fiscal Year: 2017 - 2018	Ship Date: 04/24/2018
Batch Number: 03	Ship Via:
Accounting: Account allocation by total PO/Requisition amount.	Ecommerce PO/Req: NO
Origin: Budgetary	Vendor PO/Req Discount %:
Project/Grant:	Ordered: NO
Contract:	Printed: NO
Last Updated: 05/03/2018	Emailed: NO
Invoice To:	
Notes: YES	# of Line Items: 1
Attachments: YES	# of Accounts: 1
Credit Card Trans: NO	Liquidation: Closed
Blanket PO: NO	Approve/Deny Date: 05/03/2018

Once your purchase order has been created, you will need to look at the purchase order and see if it has been emailed to the vendor. This is done by:

1. Clicking on the “Purchasing” menu button, then
2. Selecting “Purchasing Activity or View MY Purchase Orders” under the Purchasing – PU Menu

Once you have located the purchase order in question, please make sure the status indicates “Open.” DO NOT PRINT THE PURCHASE ORDER UNTIL THE STATUS SHOWS OPEN.

3. Click on the arrow located to the left of the purchase order number (this will “open” the purchase order”).
 - a. If the purchase order has been emailed to the vendor, the “Emailed” slot will state “YES and then the date emailed.”
 - b. If the slot says “NO” then IT IS YOUR RESPONSIBILITY TO SEND THE PURCHASE ORDER PLUS ANY ATTACHMENTS TO THE VENDOR.

PLEASE NOTE: If you see that the purchase order has been emailed to the vendor and you do not receive the merchandises within one (1) week, please contact the vendor to ensure that they did receive the purchase order. Sometimes the emails will go to the vendor’s “spam” folder.

No substitutions of products are allowed once a purchase order has been generated. If the vendor cannot provide what is on the purchase order, the item must be cancelled, and a new requisition entered for the new product.

RECEIVING ON PURCHASE ORDERS

Once you receive confirmation your purchase order has been created AND the purchase order is one of the following, you will need to immediately electronically receive the entire amount listed on your purchase order:

- “As-needed” purchase order (for materials ONLY)
- A “#” symbol appears at the front of your description items
- A “@” symbol appears at the front of your description items

This is done by following these steps:

1. Click on the “Purchasing” menu button
2. Click on the “Receiving – RC” button located under the “Purchase Order Receiving-PR” menu
3. Click the “Add” button located on the right-hand side of the screen
4. In the “Enter PO Number” field, you will need to input your purchase order number and then hit the “Enter” key on your keyboard. **DO NOT CLICK THE SEARCH BY PO BUTTON.**
5. Enter either the quantity or dollar amount listed on each line item in the “Qty. Received” box. PLEASE NOT: ALL PURCHASE ORDERS MUST BE ELECTRONICALLY RECEIVED IN ORDER FOR ACCOUNTS PAYABLE TO MAKE A PAYMENT.

For all “#” (needs a check symbol) purchase orders, please send a copy of the purchase order attachment (with the purchase order number AND “Pay and Close” referenced on the attachment) to Account Payable. This needs to be done via email to accounts.payable@gpisd.org.

For all “@” (invoice attached symbol) purchase orders, please send a copy of the invoice, agreement, etc. (with the purchase order number AND “Pay and Close” referenced on the document) to Accounts Payable. This needs to be done via email to accounts.payable@gpisd.org.

DO NOT electronically receive **ANY** line item or service-related purchase order until you have physically received the item, verified the item is not damaged and/or confirm that the work has been satisfactorily completed.

If you have received a damaged item(s), do not electronically receive it. Accounts Payable will let you know when they receive the credit to offset the invoice they have received. Once they have contacted you confirming they have a credit, you will then electronically receive on the item(s).

ELECTRONIC RECEIVING NEEDS TO BE DONE EACH TIME YOU RECEIVE A PACKAGE AND CHECK ITS CONTENTS. DO NOT WAIT TO RECEIVE ON AN ITEM BECAUSE THIS HOLDS UP TIMELY PAYMENT OF THE INVOICES.

CLOSING PURCHASE ORDERS

Closing of purchase orders occurs in the Accounts Payable department after invoice(s) are paid.

If a purchase order needs to be closed for any other reason other than a payment occurring, a “Close Purchase Order Report” must be filled out and sent to the Purchasing Department. The closed purchase order report (along with other useful forms) can be found on the Purchasing webpage: <https://www.gpisd.org/Page/37153>.

PLEASE NOTE: Sometimes Accounts Payable will not close a purchase order even though payment is occurring. In this instance, please include these purchase orders numbers on the “close purchase order report” that is sent to the Purchasing Department.

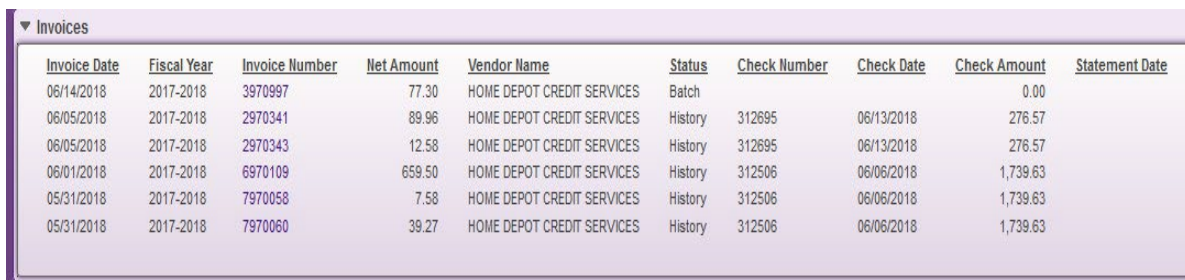
The “Close Purchase Order Report” should be emailed to the Purchasing Department ONLY after each week’s check run has been completed. Every Friday or Monday is the best time for the “Close Purchase Order Report” to be sent, that way verification of each purchase order on the list can occur BEFORE it is emailed to the Purchasing Department.

Verification of each purchase order needs to be done PRIOR to placing the purchase order on the “Close Purchase Order Report.” Verification is done by following these steps:

1. Go to the “Purchasing” menu and click on “Purchasing Activity – VA.”
2. Once you find the purchase order in question, click on the arrow located to the left of the purchase order.
3. Scroll down the screen until you see the “Invoices” box.

If you see that all invoices have been paid, then you can place the purchase order on the “Close Purchase Order Report.”

An example of a purchase order that **cannot** be closed is below:



Invoice Date	Fiscal Year	Invoice Number	Net Amount	Vendor Name	Status	Check Number	Check Date	Check Amount	Statement Date
06/14/2018	2017-2018	3970997	77.30	HOME DEPOT CREDIT SERVICES	Batch			0.00	
06/05/2018	2017-2018	2970341	89.96	HOME DEPOT CREDIT SERVICES	History	312695	06/13/2018	276.57	
06/05/2018	2017-2018	2970343	12.58	HOME DEPOT CREDIT SERVICES	History	312695	06/13/2018	276.57	
06/01/2018	2017-2018	6970109	659.50	HOME DEPOT CREDIT SERVICES	History	312506	06/06/2018	1,739.63	
05/31/2018	2017-2018	7970058	7.58	HOME DEPOT CREDIT SERVICES	History	312506	06/06/2018	1,739.63	
05/31/2018	2017-2018	7970060	39.27	HOME DEPOT CREDIT SERVICES	History	312506	06/06/2018	1,739.63	

As you can see above, Invoice #3970997 for \$77.30 is in “Batch” status. This means that accounts payable is issuing a check to the vendor for this invoice. THIS PURCHASE ORDER CANNOT BE CLOSED UNTIL AFTER THE CHECK RUN HAS OCCURRED.

The history status of a payment and the history status of a purchase order are two different things. The check may show history, but the purchase order still shows to be in “open” status. ALL purchase orders in “Open” status will need to be put in “History” status or else they will pull forward in the new fiscal year and encumber your new funds.