



Capital School District

Board of Education Policy

Section: Business and Finance
Title: Purchasing Policy
Policy #: 300-03
Date Approved: 08/15/12
Date Revised: 05/10/2012

Purpose:

To provide the public with the objectives of the district's purchasing procedures.

PURCHASING POLICY – GENERAL

It is the objective of the Board and the Superintendent to make all purchases at the best price available for quality goods and services. The Business Office is authorized to purchase and supervise the purchasing of all materials, goods and supplies for the school system in accordance with state laws and good purchasing practice. The District operates on an encumbrance system and all purchases greater than \$5,000 are to be made on official purchase orders.

PURCHASING PROCEDURES

All purchasing procedures are the delegated responsibility of the Business Manager and the Business Manager will administer these procedures. The administrative official who is responsible for the budget where the purchase is charged must approve all purchasing. The purchase order will be forwarded to the district business office under the procedures established by the office. Any exceptions to the normal purchasing procedures due to unusual and justifiable circumstances may be made in advance by the Business Manager if the circumstances warrant an exception.

All purchases must be within the written authority granted by the State of Delaware and within the authority granted by the Capital School District Board of Education. All purchases will meet the following guidelines:

1. Purchase must not be in violation of the existing bid laws of the State of Delaware. Where law requires formal bidding, the district business office must be contacted.
2. Purchase must meet the rules and regulation of the Department of Finance of the State of Delaware as interpreted by the Business Manager.
3. All purchasing must be in accord with the approved existing district budget.
4. When preparing a purchase order, every reasonable effort should be made to secure the latest selling price of the item or service being purchased.
5. Wherever applicable, the authorized purchases should refer to the existing State contracts and agreements as negotiated by the State Division of Purchasing located at <http://contracts.delaware.gov/>. Where no State contracts or agreements exist and even though the State bid laws do not apply, every reasonable effort should be made to receive competitive prices on items or services, where formal or informal.

6. Consideration should be given to additional delivery charges that may occur when shipment is made.
7. It is recognized that no one individual can be an expert in the purchasing of the many types of special equipment and materials that are available. When an authorized purchaser in the school district has a need for such an item, he should contact the business office or the appropriate administrator at the district office for advice and guidance in making the purchase. It will be the responsibility of the district office to lend assistance or seek assistance from within the district or from outside the district in purchasing such items.
8. When purchasing capital outlay items, such as equipment, furniture and other major items that have a long life, it is critical that strong consideration be given to these factors:
 - a. Cost
 - b. Quality
 - c. Durability
 - d. Maintenance cost
 - e. Available maintenance
 - f. Maintenance service contracts
 - g. Compatibility and uniformity of related items already in use in the district

The most expensive product is not always the best and does not necessarily give the most for the dollars.

It will be the purchasing policy of the Capital School District to plan for, budget for, and purchase those items and services consistent with efficient and effective financial management that will be in the best interest of the school children of the District. The appropriate administrative officials at the district office will make any interpretation of this policy. Only the appropriate administrator at the district office will make all statements regarding school district purchasing policies to vendors.

ORDERING

As used in this policy, the terms "encumbrance" and "obligation" are synonymous. The school district will operate under an encumbrance accounting system as established by the State of Delaware and the Capital School District to provide information on the actual extent of the district's obligation and to guard against over-committing available budgeted funds. Funds may be obligated only if they are available and budgeted. All obligations of each area of the school district will be reviewed and recorded at the central district business office prior to becoming a legally and binding obligation of the district. This means that the financial obligations of each area of the school district must be recorded and approved by the Chief Financial Officer when they are incurred, except for those pre-approved exceptions.

All materials, supplies, equipment, and services greater than \$5,000 will be ordered by any authorized district employee by the prescribed State of Delaware purchase order or Capital School District purchase order. Each purchase order must contain the following information:

1. Correct vendor name and address to where purchase order is to be mailed.
2. The complete address of the central office where billing will be made.

3. The complete address of the receiving location.
4. The quantity, unit price, description, amount of purchase and total order amount.
5. The appropriate account numbers, including location code, department code, line expense code, and amount for each. This total amount must agree with the total amount in the body of the purchase order.
6. Where there is multi-line and department coding on a single purchase order, the coding must also be reflected in the body of the purchase order next to each item.
7. The signature of the authorized administrator responsible for the administering of the budget being charged for the purchase.
8. Upon receipt of the purchase order at the business office, the purchase order will be signed by the appropriate administrative official, be processed and mailed to the specific vendor.

After a purchase order has been approved, entered into the district records and is forwarded to the vendor, it becomes a legal and binding obligation of the school district. Any alteration to the purchase order must be made only by the district business office. These alterations would include canceling of the purchase order, increasing or decreasing the quantities stated on the purchase order, acceptance of alternate materials or services offered by the vendor, correspondence relating to price adjustments, short shipments, delivery, etc., and any return of damaged or inferior merchandise.

COOPERATIVE PURCHASING

The Board recognizes the advantages of centralized purchasing. The Board, therefore, encourages the administration to seek advantages in savings that may accrue to this district through joint agreements for the purchase of supplies, equipment, or services with other political subdivisions.

The Board authorizes the Superintendent to negotiate such cooperative purchase agreements for services, supplies, and equipment with other political subdivisions as may be appropriate in accordance with law and the policies of this Board.

RECEIVING OF GOODS

All items ordered by administrative office personnel will be delivered to the appropriate office or, when applicable, to the receiving department. All items ordered by school personnel will be delivered to individual schools. Purchase orders issued will indicate the receiving address for deliveries. All items received must be checked by that department as to the correct quantity, size, price, etc., to determine if the purchase order has been properly executed. The department will follow the procedures laid out by the business office for the handling and accounting of received goods in the district. If a person, department, or school receives goods that are not satisfactory, they must contact the business office immediately so that the bill will not be paid until the problem is resolved.

In situations where a service has been performed, where goods have been picked up by the purchaser at a local store, or where an item has been erroneously or purposely mailed directly to a purchaser, it is the responsibility of the school to contact the business office and advise that the goods have been received or service performed. These situations are considered to be special as it was impracticable to be received through the receiving department. Interpretation of a "special" situation will be the responsibility of the district business office.

DIRECT CLAIMS

Requests for monies to be paid to individuals or to companies would include the following types of claims:

1. *A personal reimbursement to employee for expenses incurred for travel, lodging, meals, etc. when traveling on district business.* The personal reimbursement will contain the following information.
 - a. Filled in agency and employee section indicating where check is to be mailed.
 - b. List purpose of travel, itemizing dates and other information requested on form.
 - c. Receipts **MUST** be kept and turned in with form for airplane, train or bus fares – also motel expenses, conference fees, toll tickets and parking fees. Receipts for all other expenditures are required.
 - d. All columns should be totaled and extensions made where required.
 - e. Indicate on form any special fund and line coding – also local category and department coding.
 - f. All reimbursement forms must be signed by the employee and approved by an administrator.
2. *A direct claim to a vendor for services or materials* that have already been rendered. Any bills relating to the expenditure would be attached to this request for a direct payment. The payment voucher accompanying the bill(s) must be properly signed by the authorized administrator.
3. *A direct claim to a school for reimbursement to its petty cash fund for minor routine expenses that have already been paid using the petty cash fund at that school* – a payment voucher will be prepared in the prescribed manner and be made payable to the responsible administrator. In the body of the purchase order it will state “reimbursement of petty cash fund as per the attached”. The request for payment will be accompanied by a listing of the payments and the receipts for the listed disbursements. Petty cash should only be used for small, routine items where a purchase order is impractical. Reimbursements to petty cash funds may be made as needed.
4. *A travel advance to an employee for anticipated traveling expenses in an authorized school business trip:*
 - a. Travel advances must be requested 14 days in advance of the travel date. Travel advances must be kept to a minimum by making advance payments for such items as hotels, airline tickets, registration, etc. The travel advance will include the following information:
 - 1) Full name and address where check is to be mailed in vendor block

- 2) In the body of the document, it will indicate the purpose of trip, type of conference, destination, dates and the amount of travel advance required.
- 3) Travel advances must be requested through the office of the authorized administrator whose budget will be charged for the travel. The travel advance document must be signed by the appropriate administrator.
- 4) The travel advance must also contain the proper coding for accounting purposes.

b. Receipts must be kept for all expenses incurred.

Immediately upon returning from a school business trip in which reimbursable expenses were incurred, whether a travel advance was used or not, an employee should submit a personal reimbursement to the district business office within two weeks after returning from a school business trip. Attached to this personal reimbursement should be a total summary of expenses for the trip whether the expense was charged, paid in advance, or paid in cash by the employee. This would include airline tickets, car rental, lodging, meals, conference fees, etc., if applicable. All receipts must be taped (not stapled) to a sheet of plain paper – they cannot overlap. In the case of a travel advance, if an employee is returning an unused amount, a personal check must accompany his/her travel reimbursement. Proof of attendance from the trip must be submitted with the Personal Reimbursement. All financial details relating to any travel advances and expenses must be performed 60 days from the date of return to prevent the amount of advances from being deducted from the payroll of the employee.

In all matters regarding travel plans and anticipated expenses, the employee should check with the district business office prior to taking the trip. The business office will render all assistance needed to the employee.

5. There are special situations where direct claims are permitted by the State of Delaware for the sole use by the district administrative office. This would include payments to the public library, tuition payments, etc. This fifth type of direct claim will be utilized only by the business office in those situations authorized by the State of Delaware.

PAYMENT OF CLAIMS

The district business office will process all claims. Payments will be posted routinely into the computerized record system of the State of Delaware.

All payments will be accomplished only after the service is actually rendered, materials are actually received or the job is complete. Exceptions to this can be made by the business office in such cases as travel advances, a magazine subscription, a convention fee and other similar routine situations that require special handling. In regards to lengthy construction work or maintenance work, the Business Manager is authorized to make partial payments, if necessary, to contractors so long as the amount of payments does not exceed the percentage of work completed. Payments to vendors will be made by the business office on a timely basis as is practical and reasonable.