

Goshen County School District #1

**626 West 25th Avenue
Torrington, Wyoming 82240
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www.goshen.k12.wy.us**

Purchasing Procedure Manual

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Purchasing Policy and Procedure Manual

The Purchasing Procedure Manual has been prepared to provide personnel and other stakeholders a guideline and understanding of Goshen County School District #1's purchasing policies and procedures. The purpose of this manual is to provide a foundation for effective and consistent purchasing practices.

The GCSD #1 Business Office is located in the Central Administration Office, 626 West 25th Avenue, Torrington, Wyoming 82240.

It is the intent of the Business Office that GCSD #1 make all purchases in the best interest of the School District; to ensure that GCSD #1 complies with all local procedures and all state statutes; and to guarantee that proper ethical business practices are followed.

All individuals responsible for expenditures of Goshen County School District #1 shall be thoroughly familiar with the policies and procedures outlined in this manual and each individual is responsible for following district policies, procedures, and applicable state statutes relative to purchasing.

You are encouraged to call the Business Office if you have any questions about the application of these policies and procedures. (307-532-2171)

Introduction

Each building administrator/department supervisor or assigned designee should review each purchase carefully to ensure it fits within the framework of the district's educational philosophy and operating budget. Purchasing decisions should be based on the best interest of GCSD #1 rather than solely on the basis of price.

The Business Office's primary responsibility toward purchasing is to provide services for the purchase of materials, supplies, and services, with the objective that they will be available at the proper time and place, in the right quantity and quality, and that maximum value is achieved at the best price.

To achieve this overall objective, all employees must adhere to the responsibilities, authorities and controls set forth in this manual and to all related district policies and procedures.

Uniform Purchasing Standards

The purchasing procurement activities shall be based on uniform standards of purchasing ethics and practices. All GCSD #1 employees engaged in purchasing activities shall support established policies and procedures. Accordingly, such standards should:

- a. Abide by all applicable governmental laws, ordinances, policies, and regulations
- b. Ensure that fairness and equity between Goshen County School District #1 and vendors are fundamental to sound and desirable business transactions and are best achieved through mutual trust, respect, and cooperation.
- c. Achieve maximum value in the purchase by giving due consideration to quality, service, reliability, and price.
- d. Establish multiple sources of supply whenever practical.
- e. Give equal opportunity to all qualified suppliers doing business with Goshen County School District #1.
- f. Promote good community relations and encourage and support business in the local area whenever practical and economical to do so.
- g. Be responsive to the needs of the school district.
- h. Promote awareness of the purchasing function with GCSD #1 personnel.
- i. Result in efficient purchasing.
- j. Result in purchasing functions that are professional, ethical, and legal.

Authorization

The purpose of this guide is to clearly articulate the policy and procedures to be used in dealing with the receipt and expenditure of School District funds. The outline provided on the following pages is to be followed at all schools and District sites.

Background

It is quite clear that all funds which are generated for school functions must follow the laws, rules, regulations, policies and procedures established by the State of Wyoming, the State Department of Audit, the State Department of Education, the State Board of Public Education, and the local District Board of Trustees. Because school districts are a public entity, they are governed by a variety of rules and regulations established to protect the public trust in

receiving, transferring and expending funds. The following citations are used to emphasize the importance and seriousness of this issue.

UNIFORM MUNICIPAL FISCAL PROCEDURES ACT

16-4-120 Prescribed Accounting System, subsection (b);

“Each school district...shall continue to maintain the uniform system of accounting prescribed by the State Department of Education...”

**STATE STATUTE...WYOMING EDUCATION CODE as amended, 2002
Chapter 3, Section 21-3-110 “Duties of Boards of Trustees;;
subsection (xiv):**

“Require an accounting of all receipts and expenditures to be made by each organization, function, or other groups sponsored by, or functioning in any way within schools of the district, such accounting to be made by each such organization, function, or group at least once a year and a copy thereof posted in each school building connected with such organization, function or group.”

Subsection (vii): “Control and disburse all moneys received from any source to maintain the schools within the district.”

Subsection (viii): “Obtain competitive bids when any school building is to be built or any repairs, additions, or improvements costing more than ten thousand dollars (\$10,000.00) and less than twenty-five thousand dollars (\$25,000.00) are to be made to any school house or district property, or when any purchase of insurance, supplies or materials, other than textbooks, costing more than ten thousand dollars (\$10,000.00) and less than twenty-five thousand dollars (\$25,000.00) is contemplated unless precluded by other regulation or statute. If the amount exceeds twenty-five thousand dollars (\$25,000.00), a call for bids shall be published at least once in newspaper of general circulation in the district. The district shall reserve the right to reject any and all bids and to waive irregularities and informalities in the bidding. No contract shall be divided for the purpose of avoiding this paragraph.”

When purchases exceed ten thousand dollars (\$10,000.00), but are less than twenty-five thousand dollars (\$25,000.00), the administration will received competitive quotes and recommend to the Board of Trustees the quote to be accepted based on the needs of the district.

**STATE STATUTE...WYOMING EDUCATION CODE as amended, 2002
Chapter 3, Section 21-3-113 “Signing of Warrants and Checks”;
subsections a and b:**

“All warrants or other orders to pay money drawn on the school district treasury, and all checks on a depository, shall bear the signature of the clerk or treasurer and the chairman of the Board of Trustees. All warrants or other orders to pay money drawn on activity or special funds shall be signed and

administered in the manner provided in subsection (a) above, and in accordance with the written policy of the Board of Trustees. Activity or special funds shall be subject to supervision and examination by the director of the State Department of Audit.”

WYOMING CONSTITUTION, ACTICLE 16, SECTION 7:

“Properly itemized and approved vouchers which are verified by certificate are required to support all expenditures or transfers of any funds.”

School Board Purchasing Policy

GCSD #1 Policy #3411 – Purchasing Procedures

Goshen County School District No. 1 Board of Trustees will follow purchasing procedures in accordance with W.S. 21-3-110 (a) (vii) and W.S. 16-6-101 (Public Works and Contracts)

GCSD #1 Policy #3420 - Purchasing

District Policy #3420 states that the superintendent or designee shall be responsible for the purchase of supplies, equipment, and services for the district. The approval of the annual budget by the GCSD #1 Board of Trustees provides authorization to the Superintendent and Business Manager to expend amounts from within the budget for purchases totaling up to \$9,999.99. The Superintendent has authorization for the purchase of single items costing up to \$4,999.99. And, the Building Administrator and Business Manager have authorization for the purchase of single items costing up to \$1,499.99

Standard District Purchasing Procedures

Board Approval must be obtained for the purchase of any single items exceeding \$5,000.00 or for any purchases which are unusual or controversial.

The approval of the annual budget by the GCSD #1 Board of Trustees provides authorization to the Superintendent and Business Manager to expend amounts from within the budget within the policies established by the Board.

The District's Business Manager is to act as the fiscal officer of the School District.

The Business Manager has the responsibility to oversee the procurement of materials, equipment, and services and to process the sale of surplus goods and equipment.

All purchases made by Goshen County School District 1 personnel are tax-exempt under Wyoming State Law.

The following procedures shall be followed for purchases:

1. Purchases should be made locally whenever possible.
2. Board Approval must be obtained **prior to** the purchase of any single items exceeding \$5,000.00 or for any purchases which are unusual or controversial.
3. Every attempt will be made to obtain 3 phone quotes obtained in or outside the community for individual items or services costing between \$3,000.00 and \$9,999.99. Quotation documents will be kept in the Central Administration Office for at least one (1) year.
4. For all funds - Labor and Materials costing between \$10,000 and \$24,999.99 must have three (3) written quotes obtained in or outside the community. Bid, Performance & Payment bond may be required. Board approval is required for these quotes. Quotation documents will be kept in the Business Office for at least three (3) years.
5. For purchase of material over \$25,000 a formal "Call for Bid" advertisement will be placed in the Torrington Telegram, Torrington, Wyoming, for a minimum of one circulated newspaper run.
 - a. Specifications and bid forms will be prepared by the Business Office and mailed to prospective bidders on the current bid list.
 - b. Bids will be opened and publicly read by the Business Office prior to their recommendation for acceptance or rejection by the GCSD #1 Board of Trustees.
6. Any exceptions to this regulation will be reviewed by the district's Business Manager.

Purchase Orders and Local Vouchers

Methods of Purchasing

Goshen County School District 1 uses the following preferred methods of purchasing to procure goods and services:

- Local Voucher
- Purchase Order

Board Approval must be obtained **prior to** the purchase of any single item exceeding \$3,000.00 or for any purchases which are unusual or controversial. All bidding and quote guidelines presented above must be followed when applicable for any district purchase.

Local Vouchers

A Local Voucher is an official GCSD #1 purchasing document to be used for purchases in or around Goshen County, for items that do not have to be ordered, for items that must be prepaid (subscriptions, dues, memberships) or for items when an invoice has already been received, and for travel expenses incurred on student activities (football, speech, etc.)

Pre-Numbered Vouchers

- School will be provided an assigned block of pre-numbered vouchers
- School secretaries will be responsible for voucher tracking on provided checklist
- Voucher tracking will be done on **Checklist for Local Purchase Orders** sheet. A photocopy of the Checklist will need to be submitted monthly to the Business Office when Local Vouchers are submitted – so a voucher reconciliation can be performed.
- Checklist consists of assigned P.O. numbers, Name of Vendor, Check-out Date, Check-out Signature, Check-in Date, and Check-in Signature.

Procedures

- Local Vouchers are initiated at the school level following the check out process developed by the district.
 - o All local vouchers must have the principal's/supervisor's authorization.
 - o Once signed – the local voucher is essentially a blank check
 - o Review the proposed expenditure with the staff member assuring its appropriateness, necessity, availability of budget, etc.
 - o When possible – obtain the vendor's signature as *claimant* on the bottom of the voucher. This is a legal attestation that charges and other information on the voucher is correct.
 - o Ship-to section must be completed with name **and** address of receiving party.
 - o Provide a brief but accurate description of the purchase on the voucher (see attached invoice is not an adequate description).
- Once the local voucher has been completed – the numbered white copy of the voucher is to be returned to Central Administration along with an attached invoice/receipt.

- o Two signatures are mandatory – signature of the claimant and the principal/supervisor
- o A proper account code must be assigned to each invoice/receipt/ticket
- o Leave the yellow copy with the claimant
- Vouchers with attached invoices must be **submitted to the Business Office by the first Monday of each month.**
 - o We need to make sure our vendors are being paid on a timely basis – so **do not** delay sending in a completed voucher.
 - o The billing period is from the first day of the month to the last day of the month. The Board approves all purchases.

Federal Funds – Use of Local Vouchers

Any local vouchers used by schools in which the funding source will be paid by Federal Fund monies must have the prior approval of the Director of Curriculum & Instruction if the purchase price is over \$250.

- Staff member initiates local voucher
- School principal approves the local voucher and identifies the consolidated grant goal number and the school improvement goals.
- Local voucher is sent to Central Office for prior approval
- Local voucher is returned to the school if approved by the Assistant Superintendent.
- Once approved, the school may proceed with the normal purchasing process.

Purchase Orders

A Purchase Order is the official GCSD #1 document to procure supplies, equipment, and services that must be ordered. It is the legal document that notifies the vendor to ship the order and assure payment.

A purchase order is considered a valid agreement to procure goods and /or services if the purchase order contains all of the following information:

- **A district purchase order number generated by the Business Office;**
- **An authorized signature from the Business Manager or other authorized buyer within Central Administration;**
- **A brief description of the goods and /or services being procured;**
- **Accurate pricing;**
- **Shipping instructions; and**
- **Relevant general conditions of purchasing.**

Procedures

- o To be used for purchases:
 - In situations when an item must be ordered or pre-approved by the school board.
- o Purchase orders should be initiated in the department, by instructors, or other designated personnel.
 - Approval by the principal is required.
 - Approval by the Business Manager or Consolidated Grant Director is required
 - Review the proposed order with the staff member assuring its appropriateness, necessity, availability of budget, etc.
 - Provide a brief but accurate description of the purchase on the purchase order.
- The Purchase Order is a five (5) part form keyed into the district's accounting software by Business Office Accounts Payable personnel in order to encumber or commit funds for expenditure.
 - o Vendor (Yellow copy and White copy) – Once authorized by the Business Office, these copies will be sent to the vendor to physically place the order for materials, supplies or services.
 - o Bookkeeping (Pink) – This copy is maintained by the Accounts Payable Department.
 - o School (Goldenrod) – This copy is kept by the school or department for file reference. This document must be filed by the school or department for a one-year period of time.
 - o Receiving (Green) - This copy is maintained by the school or department and is sent to the Accounts Payable Department once the order has been received. This is the signal to the Accounts Payable clerk that the order has been finalized and payment can be made to the vendor.
 - If a partial order is received, a photocopy should be made and sent to the Accounts Payable clearly indicating those items which have been received. Payment will be made based on the indication of those items received.
- o **Under no circumstances should a purchase order be used without an approved PO # being assigned. Any purchases made without an approved Goshen County School District #1 issued PO # will be the responsibility of the individual making that order and will not be the responsibility of the school district.**

- The Purchase Order number is assigned only when voucher has been completed, sent to Central, and all necessary signatures have been obtained.
 - In emergency situations – a PO # can be assigned and the order faxed in.
 - Pre-plan to avoid these situations
 - o Internet Orders are not allowed.
 - o Purchase orders will be mailed from Central Administration on Fridays each week.
- **Orders funded by Federal Funds – must identify the Building Goal or the Consolidated Grant Goal.**

Imprest Funds

Several schools/departments have a bona-fide petty cash account (Imprest Fund), which are to be used for legitimate specified purposes only. It needs to be clear that imprest Funds are to only be used as indicated. The administrator of the imprest fund is responsible for the appropriate use of this account and will be responsible for a monthly reconciliation of the imprest fund. **Any exceptions must be approved prior to its use.** Imprest accounts can be used for the following:

- a. Postage
- b. Officials, linesmen, scorekeepers, etc. (Prior to any work or payment being issued to an individual serving in this capacity, a completed W-9 must be filled out and signed by that individual. All W-9's must be turned into the Business Office.)
- c. Entry fees
- d. Purchases made at Sam's Club (with the use of the District Sam's Club card)

When an imprest check is written, an Imprest Fund/Official Payment Request form should be completed and attached to a local voucher which must be submitted the Business Office. As funds are used, the Payment Request form should be itemized and attached on a signed local voucher, and it should be sent to the Business Office

in order to replenish the fund. Receipts should be attached to the voucher if they are obtained.

Receipt of funds:

All monies collected are to be deposited to the proper fund account **on a daily basis**. No monies are to be held back for any reason.

General Fund:

The General Fund is handled by the district Business Office. There are some instances when a school site receipts funds into the General Fund. Any monies collected from gate receipts from athletic events or activities are to be deposited immediately after the conclusion of the game or event. A copy of the deposit slip is to be sent to the Business Office.

Lunch Fund:

Monies collected for the sale of lunches, breakfasts or ala carte items are to be receipted and deposited to the bank by a designated person at each school. Money is to be deposited on a daily basis to eliminate the possibility of loss. The principal or designee is responsible for handling these funds in the manner prescribed by the State and the District. **The cashing of personal checks for employees is not allowed from this fund or any other fund of the School District.**

Activity Funds:

All monies received are to be counted and turned into the principal's secretary on a daily basis. No money is ever to be kept in the concession stand or in a sponsor's room or home. The secretary will count the money and make the daily deposit. Deposit slips are to be sent to the Business Office.

IN SUMMARY, ALL MONIES COLLECTED ARE TO BE DEPOSITED DAILY TO THE PROPER FUND ACCOUNT. NO MONIES ARE TO BE HELD BACK FOR USE FOR PETTY CASH EMERGENCIES.

Transferring Funds

Transfer of funds is possible within school finance accounting but is regulated by circumstances specific to each fund.

Intrafund transfers as applied to activity funds:

The transfer of money from one account to another account within the same fund is allowed. The principal requesting the transfer must use the following procedure:

- a. Use a District Transfer Form
- b. Complete the Form indicating the attendance center
- c. Enter the type of transfer to be performed – revenue or expenditure
- d. Indicate from “what” account to “what” account.
- e. The Transfer Form is then forwarded to the Business Office for official authorization and adjustment.
- f. No loans are permitted.

Intrafund Transfers as applied to the General Fund:

Transfers of funds within the General Fund budgets can be made between accounts when the dollars originally budgeted no longer reflect the needs of the site or program and would be more appropriately budgeted in a different account within the same fund. Budget transfers must be submitted on the District Transfer Form authorized by the building administrator and sent to the Business Manager for final approval. A budget hearing is required when transfers are made that are not within the same program code such as 1110, 2110, 3320, etc.

Bids

Bidding Requirements

Formal competitive bids are required for all purchases of supplies, materials, equipment, services and construction projects requiring an estimated expenditure of more than twenty-five thousand dollars (\$25,000). A bid file will be maintained by the Business Manager in which all bid documentation will be maintained for every District bid.

Responsibilities

The Business Manager has the responsibility to maintain a uniform set of procedures and forms to perform and complete the bidding process.

Competitive Bidding Procedure

- a. Bids shall be sent to all potential bidders on the bid list. Every reasonable effort should be made to generate at least three (3) bidders. In the case where three (3) bids cannot be obtained, it should be noted in the bid file.
- b. The bid documents shall be kept on file for a minimum of five years.

- c. Bids shall be advertised in the Torrington Telegram at least one (1) week prior to the bid opening.
- d. Bids shall be distributed by the Business Office. The bid shall contain item specifications, including any prints, diagrams, etc., and all terms and conditions.
- e. Bids are to be returned to the Business Office by the closing date and time stated in the bid, time and date stamped and placed unopened in the pending bid file.
- f. All bids received after the date and time stated in the bid will not be accepted and shall be time and date stamped. The prospective bidder will be notified as to why the bid was not accepted.
- g. Any revisions to the bid documents must be confirmed in writing in the form of an addendum to all vendors receiving the bid. The original copy of the addendum is retained in the bid file.
- h. Bids will be opened and read aloud at the place, time and date stated in the bid documents. The bids will be opened in the presence of at least two (2) GCSD #1 employees. Bids will be recorded on the tabulation sheet by a designated Business Office person and kept on file for public inspection.
- i. Once any bid is opened, vendors will not be permitted to modify their bids.
- j. The successful bidder(s) will be notified after GCSD #1 Board approval.
- k. All bids will be analyzed to ensure purchase from the most economical and appropriate source. Documentation on the award is to be filed in the bid folder.
- l. If requests for items on a bid are received after issuing a purchase order, the additional quantity can be added to the order without rebidding, if economically feasible and agreeable to the vendor.
- m. When a purchase order is issued as a result of a bid or quotation, the bidder is considered legally bound to the price(s) and all terms as stated in the bid or quotation documents. The successful bidder should not be allowed to raise quoted price(s) or change the terms unless approved by the District Business Manager. The bidder must submit a letter stating the reason(s) for changing the bid.
- n. All requests for bids and proposals shall contain the words "preference is hereby given to materials, supplies, equipment, agricultural products, machinery and provisions produced, manufactured, supplied or grown in Wyoming, quality being equal to articles offered by the competitors outside the state." (W.S. 16-6-106)
- o. Purchases for supplies, material, equipment, machinery, and provisions supplied by residents of the State of Wyoming shall be awarded the item if the bid is not more than five percent (5%) higher than that of the lowest responsible nonresident bidder. Preference shall not be granted for articles of inferior quality. (W.S. 16-6-105)
- p. The following are the items that should be included in bid file:
 - i. Advertisement for bid

- ii. RFP
- iii. Bid Tabulation Sheet
- iv. Bids Received
- v. Board Recommendation
- vi. Contract
- vii. Change Orders, if any

Quotes

Written competitive quotes are required for all purchases of supplies, materials, equipment, services and construction projects requiring an estimated expenditure of more than ten thousand dollars (\$10,000.00) and less than twenty-five thousand dollars (\$25,000). A recommendation will be made to the Board of Trustees on the quote to be accepted based on the needs of the district.

Every reasonable effort should be made to generate at least three (3) quotes. In the case where three (3) quotes cannot be obtained, it should be noted in the recommendation to the Board of Trustees. Copies of quotes and documentation will be maintained by the Business Manager. The quote documents shall be kept on file for a minimum of five years.

When a purchase order is issued as a result of a bid or quotation, the bidder is considered legally bound to the price(s) and all terms as stated in the bid or quotation documents. The successful bidder should not be allowed to raise quoted price(s) or change the terms unless approved by the District Business Manager. The bidder must submit a letter stating the reason(s) for changing the bid

All requests for bids and proposals shall contain the words "preference is hereby given to materials, supplies, equipment, agricultural products, machinery and provisions produced, manufactured, supplied or grown in Wyoming, quality being equal to articles offered by the competitors outside the state." (W.S. 16-6-106)

Purchases for supplies, material, equipment, machinery and provisions supplied by residents of the State of Wyoming shall be awarded the item if the bid is not more than five percent (5%) higher than that of the lowest responsible nonresident bidder. Preference shall not be granted for articles of inferior quality. (W.S. 16-6-105)

Quotation Requirements

1. Written (Informal) quotations will be sent to vendors where specifications are requested, where permanent documentation is advisable or non-standard conditions, requirements, instructions, etc., are required.
 - a. Answers to technical questions arising during the quotation period should be provided to all potential bidders through the use of an addendum.
 - b. Quotations are tabulated on a tabulation sheet at the time and date specified in the quotation.
 - c. A copy of the tabulation sheet should be sent to all participating vendors and should be available upon request.

Evaluation / Award of Bid & Quotations

Procedures

Once bids and quotes are received, designated personnel must evaluate and determine which quotation will be recommended for award using the criteria listed below. Bids will ordinarily be awarded to the lowest responsive bidder, taking into consideration:

- a. The ability, capacity and skill of the bidder to perform the contract or provide the required service;
- b. Whether the bidder can perform the contract or provide the service promptly and within the time specified without delay or interference;
- c. The character, integrity, reputation, judgment, experience and efficiency of the bidder;
- d. The quality of performance of previous contracts or services;
- e. The previous and existing compliance by the bidder with laws and ordinances relating to the contract;
- f. The equipment and facilities available to the bidder to perform the contract or provide the service;
- g. The sufficiency of the financial resource and ability of the bidder to perform the contract or provide the service;
- h. The quality, availability and adaptability of the supplies, materials, equipment or services to the particular use required;
- i. The ability of the bidder to provide future maintenance, parts and service;
- j. The amount and conditions, if any, of the bid.

Goshen County School District #1 reserves the right to base its decisions on the best interests of the School District and to accept or reject, in whole or in part any or all bids.

When a bid has to be re-bid, all competing bidders must be given an equitable opportunity to rebid. Rebidding should be restricted to an absolute minimum. The recommendations are to be in Central Office the Wednesday prior to the Board meeting. With the exception of the July Board meeting, the Board of Trustees meets the 2nd Tuesday of the month.

Professional Service Agreements

Competitive bidding of professional services (legal services, accounting services, auditing services, etc.) is not required by Wyoming State statutes. Consultants may be selected to submit proposals based on their knowledge of the project in question and their ability to perform the service needed.

The proposal submitted by the consultant should include: profiles of the vendors; evidence of the firm's ability to perform the work; personnel who are qualified to perform services on the project; the firm's principles, equipment and facilities; references; summary on the understanding of the project; education; experience; expertise of the firm; the firm's approach to planning, organization and management of the project; present workload; and financial stability.

Wyoming In-State Preference

Construction – If advertisement for bids is required, the contract shall be let to the responsible certified resident making the lowest bid if the certified resident's bid is not more than five percent (5%) higher than that of the lowest responsible nonresident bidder. If the advertisement for bids is not required, the contract shall be let to a resident of the State of Wyoming. (W.S. 16-6-102)

Bona Fide state certified residency shall be determined by the State of Wyoming Department of Labor and Statistics. Request for bidders to submit their Certificate of Residency shall be included in the bid documents.

Purchases for supplies, material, equipment, machinery and provisions supplied by residents of the State of Wyoming shall be awarded the item if the bid is not more than five percent (5%) higher than that of the lowest responsible nonresident bidder. Preference shall not be granted for articles of inferior quality. (W.S. 16-6-105)

All requests for bids and proposals shall contain the words "preference is hereby given to materials, supplies, equipment, agricultural products, machinery and provisions produced, manufactured, supplied or grown in Wyoming, quality being equal to articles offered by the competitors outside the state." (W.S. 16-6-106)