

BANDERA INDEPENDENT SCHOOL DISTRICT PURCHASING PROCEDURE MANUAL

The basic principal that drives all purchasing decisions is found in Section 44.031 of the Texas Education Code. This states “all school district contracts...valued at \$25,000 or more in the aggregate for each 12-month period” are subject to competition defined as:

1. Competitive bidding
2. Competitive sealed proposals
3. A request for proposals
4. A catalogue purchase as provided by Subchapter B, Chapter 2157, Government Code (Qualified Information Service Vendor: QISV)
5. An interlocal contract

There are additional approved methods for competitive procurement, but they generally apply only to construction.

Because of the aggregate, or district wide, nature of classifications of purchases over a 12-month period, it does not take long for the district to exceed \$25,000 in any given classification. **Consequently, you are strongly encouraged to use contract vendors, Qualified Information Services Vendors (QISV), or a vendor who is under contract via an interlocal agreement with another district or governmental entity.**

The Business Office will publish a list of vendors under contract with the district or via an interlocal agreement several times annually for your convenience.

PURCHASE REQUISITIONS/PURCHASE ORDERS

Procedures for the Processing of Purchase Requisitions/Purchase Orders

1. The Purchase requisition must be used for all business activities inside and outside the BISD
2. All Requests for purchases shall be submitted electronically or on Bandera I.S.D. requisition forms approved by the Business Office.
3. A budget code must be used on all requisitions
4. A brief statement of the purpose of the purchase is to be included on the requisition.

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5. **ALL** requisitions/purchase orders must be approved **prior** to purchase. Proper approval is to be given by the respective department head, director or principal and the business office. **Any liability incurred prior to approval of purchase will be that of the person who initiated the liability (BISD Board Policy CH-Local)**

TYPES OF REQUISITIONS

Requisitions are divided according to the type of action required on the purchase. The following are the recognized types of requisitions:

1. Normal – for all normal purchasing transactions requiring a requisition. The business office processes these requisitions using routine procedures. Typically, a routine requisition without error or anomalies, issued to a contracted vendor, is processed within 24 hours from the date of receipt.
2. Urgent – for all purchasing transactions incurred because of an emergency condition threatening the safety or welfare of the community, students or staff. An emergency purchase is defined in the Texas Education Code 44.031(h), as exempt from the competitive procedures, and requires Board of Trustees approval.

PROCESSING URGENT REQUISITION

Requisitions for purchases defined as urgent purchases are handled similarly to those for normal purchases with one major difference. They must meet the qualifications for urgent purchases in the Texas Education Code, Section 44.031(h)

Requisitioning Procedures

1. The requisition is entered electronically
2. Principal/Director approves electronically
3. If URGENT, the employee completing the requisition should then notify the Business Office by Telephone, specifying that an Urgent requisition has been submitted, giving all available details.
4. Business Office will approve electronically
5. Business Office will fax order to Vendor unless other directions are specified.

OPEN PURCHASE ORDERS

Several elements must be taken into consideration when determining the appropriateness of establishing a non-specific purchase order.

1. A purchase order must be established for an on-going periodic requirement that cannot be readily anticipated to allow for the preparation of a Purchase Request. An open purchase order is not established to circumvent the competitive requirements, normal purchasing or accounting procedures.
2. The anticipated total value of the commodity should not exceed the sealed bid limit, currently \$25,000. A "Not to Exceed" amount based on the unit price and anticipated quantities should be stated. This is the amount that will be encumbered, and typically will not exceed \$500. These purchase orders are valid for only one month.
3. Commodities should be combined where possible, in accordance with normal purchasing practices. The use of separate, component, and sequential purchasing, as defined in the Board Policy CH (legal), Impermissible Practices, is not permitted.
4. The purchase order should state, by name, who is authorized to pick up items.
5. The original of the purchase orders must be hand carried to the vendor. The P.O. will not be released until the funds are encumbered.
6. Purchases may not exceed the amount indicated on the face of the purchase order.
7. The person taking delivery shall obtain a sales ticket. This sales ticket will be attached to the receiving copy of the open purchase order and returned to the business office for payment within three (3) working days following the purchase.
8. Required information to be entered on each sales ticket:
 - Vendor name and address
 - P.O. number
 - Description of item(s) purchased
 - Unit price/total price
 - Name, title and signature of person receiving delivery
 - Date

MODIFYING OR CANCELLING A PURCHASE ORDER

Whenever it becomes necessary to modify or cancel the items or conditions listed on a purchase order, the following procedures will apply:

1. A change to a purchase order can only be approved by the Business Manager/Superintendent.

2. Requests to modify the purchase order will be submitted in writing and signed by the principal/department head or designee who originated the purchase request. These requests will list the vendor, purchase order number, nature of the change, and reason for the change.
3. Upon receipt of the request to modify the purchase order, the business office will issue the modification, if feasible.
4. The physical return of items on the purchase order cancelled through modification but already received, will be the responsibility of the requesting department/school. Requesters must be aware of the possibility of restocking fees or other penalties being charged by vendors. These restocking fees are the responsibility of the requesting department/school and will be charged to the purchase order.
5. Purchase order cancellations will be handled identically, and are subject to the same restrictions. A purchase order may only be cancelled if there will be no charges accrued to the district.
6. Items changed without a modification to the purchase order will become the responsibility of the person issuing the unauthorized change.

PRE-PAYMENT FOR SUBSCRIPTION RENEWALS

PRE-PAYMENT:

Occasionally, a vendor with whom the district does business will not accept a purchase order, but instead requires payment in advance. The District will **NOT** pre-pay for supplies or equipment. Generally, these vendors should be discarded and an alternate source found who would accept a purchase order. An example of a valid use of prepayment is for a field trip or outing, not merchandise.

A purchase order must be submitted in time for the Business Office to issue and mail a check to the vendor. In addition to the lead-time necessary for purchasing, additional time must be factored into the planning equation to allow for accounting procedures.

Typically, a purchase order for prepayment must be received in accounting prior to noon on Tuesday to be included in that week's check run. The check will be cut and mailed that Thursday or the following work day.

The purchase order will be processed the same as any other purchase order, but the words "PREPAYMENT REQUIRED" must be indicated in the body of the purchase request. Order forms or similar information that will accompany payment must be attached to the requisition so it can be mailed with the check. If the requirement is time sensitive, the need must be indicated on the requisition by stating "PREPAYMENT REQUIRED BY (DATE)."

SUBSCRIPTION RENEWALS:

Subscription renewals will be handled similarly to a prepayment requisition, with the renewal form attached to the purchase request. These renewals must be received prior to expiration of the existing subscription.

If renewal requests are not received prior to expiration of the subscription, the requisition will be returned without action.

FIXED ASSET/SUPPLIES

The requesting campus or department will receive the supplies, materials, furniture and equipment.

Furniture and Equipment over \$500 but under \$4,999 will need to be tagged for inventory purposes, these items must be ordered on a separate purchase order, coded to 6395 budget code. An example of such items:

Binding Systems	Laser Disc Players	Scanners
Buffers/Vacuum Cleaners	Microwave Ovens	Stoves
CD Players	Opaque Projector	Televisions
Camcorders	Overhead Projector	DVD's
Computers	Portable Phones	Nautilus-type weight equipment (not free weights)
Copiers	Printers	
Duplicators	Projectors	
Filmstrip Projectors	Record Players	
Food Slicers	Refrigerators	
Ice Makers	Sand/Water Tables	

Notes:

1. It is the responsibility of the Campus/Department to issue inventory tags for these items. The Business Office requires submission of inventory information.

Items on Approval, Examination, or Review

A purchase requisition is to be filled out for materials to be received on approval, examination, or preview basis. The requisition is to be approved by the appropriate budgetary official (i.e. director, department head, principal) prior to requesting the material. The requisition should clearly state that the materials listed are for approval, examination, or preview

The requisition must be processed in the normal manner, including the encumbrance of funds. If only a portion of the merchandise is to be retained, the items returned will be noted on the receiving copy of the purchase order.

If the material is found to be unacceptable, notification in writing by the authorized director, department head, or principal is to be sent to the Business Office. In this case, the following steps will be followed:

1. It will be the responsibility of the appropriate director, department head, or principal to return the materials to the vendor.
2. A copy of the shipping document is to be sent to the Business Office as proof of materials being returned.
3. The original shipping document will be appended to the receiving copy of the purchase order, and payment noted if reimbursement for postage, shipping, or handling is necessary.

Items received on approval in violation of these requirements will become the property of the requesting individual. Bandera Independent School District will not accept responsibility for any expenses incurred.

USING A VISA CARD FOR PURCHASES

VISA purchase orders are for travel expenses. Exceptions are reviewed for Vendors that do not accept PO's

Requisitions for open purchase orders must still indicate what the purchased items will be by general category as well as their intended use.

Once a requisition for a VISA Card is approved and encumbered, the employee submitting the requisition may come to the business office, pick up the purchase order and one of the district's VISA credit cards and go to the store.

The card will be signed out to the employee by the Business Office, including the employee name, campus/organization, PO number, credit card number, amount of the purchase order and date out.

Once the purchase is made the employee will return the credit card, in person with the cash register tape to the Business Office, where the log will be cleared by noting the date returned.

If the cash register tape does not accompany the charge card, a report will be made to the administrator or campus principal. Until the cash register receipts is turned in, that employee will not be permitted to use the VISA card.

If two or more employees from a given campus or organization fail to turn in cash register receipts, the campus or organization will no longer be permitted to use the VISA card. These restrictions will remain in effect until the charge can be cleared and the statement paid.

PROCESSING PURCHASING VALIDATION ACTIONS

Submitting a purchasing requisition for goods and services already ordered and/or received is a violation of Board policy and principles. Ownership and payment for these actions become the responsibility of the person who authorized it. The basic principle is you bought it you pay for it.

The Business Office will not validate purchases except under the following conditions:

Bona fide after-hours emergencies where the Business Office was closed and to wait until it opened would cause a hazard to district facilities, equipment, personnel or students. A certificate to this effect, counter signed by the Superintendent, must accompany the purchase request. The purchase request must be submitted as early as possible on the next business day. If the purchase exceeds \$10,000.00, the Board of Trustees will be notified at the next regularly scheduled meeting.

Purchase requests for validation of unauthorized, non-emergency purchases, under \$2,000 will be accompanied by a memorandum.

This memo will state the circumstances behind the purchase, the individual responsible for the purchase, the purpose for which the item(s) were procured, the steps taken to ensure there is no repetition, and the progressive disciplinary steps taken against the individual who made the purchase, and the action which will be taken in the event of a repetition. IF the person responsible for the purchase is someone other than a principal or department head, the memo must also state what actions were taken to educate the individual's chain of command in proper purchasing procedures, and what action will be taken in the event of a repetition.

Purchase requests for validation of unauthorized, non-emergency purchases, greater than \$2,000 but less than \$10,000 will be accompanied by a memorandum in accordance with the above requirements, and routed through the Superintendent for endorsement.

Purchase requests for validation of unauthorized, non-emergency purchases, greater than \$10,000 must be reported to the Board of Trustees for approval, and will be accompanied by a memorandum in accordance with the above requirements.

Validation actions are subject to the same statutory restrictions concerning separate, sequential and component purchases, as any other purchasing action.

REPAIR OR SERVICE OF EQUIPMENT

Repairs will be affected using a purchase order. **If there is a charge for the repair**, the following procedures have been established for campuses and departments.

1. Identify the equipment needing repair, and the nature of the problem.
2. Identify a source (vendor) to affect the repair.
3. Get a written estimate. Estimates are subject to the same competitive (quote) requirements as any other purchase.
4. Enter a purchase requisition to the vendor. Note the following in the description section:
 - Item description, e.g. overhead projector, brand name and model number, serial number and district bar code (property tag) number.
 - Nature of problem

- Amount of the ESTIMATE?
5. Submit to the Business Office a copy of the Estimate (or quotes) included in the requisition.
 6. Once the purchase order is signed, authorize the vendor to effect repairs.
 7. Upon Completion of the repair:
 - Receive or pick up the equipment from the vendor
 - Verify the repair has been performed satisfactorily
 - If acceptable, attach a final copy of the vendor's repair ticket/invoice to the receiving (blue) copy of the purchase order, and sign the blue copy indicating final acceptance.
 - Send to Accounting for payment, even if there is no charge for the repair. This will ensure any money encumbered to the purchase order can be expended or reversed and returned to your account as appropriate.

If the original estimate is for no charge, the above process is still required. If the vendor, while affecting a no charge repair, identifies additional repairs, which will generate a cost, follow the above procedure immediately.

Remember, you are entrusting district property to a third party, and you are responsible for it.

RECEIVING SUPPLIES AND MATERIALS AT CAMPUSES/DEPARTMENTS

Deliveries for purchase orders for supplies and materials will be received at the campus/department that originated the requisition. Deliveries will be made to the central office of the campus/department, and will be made to only one location.

It is strongly recommended that a specific individual be designated to sign for and process deliveries. This person should be someone who is regularly in the office.

Deliveries will have to be signed for and dated at the time they are delivered. Do not expect the delivery person to wait until the shipment is checked. Verify the number of containers (boxes) being delivered against what is being signed for. If the number does not coincide with what is physically there, note it on the delivery document you are signing, e.g.: "Only Y boxes were received."

At the same time the number of boxes are being verified, inspect the condition of the boxes. If one or more are damaged, the damage may have been transferred to the contents. Rather than reject the shipment, write on the document "Possible hidden damage."

The Uniform Commercial Code stipulates ten (10) calendar days in which to identify discrepancies. Once this period passes, your rights to address discrepancies are severely impaired. Timelines are especially important at fiscal year end when funds are in danger of expiring.

To check (receive) incoming shipments follow these steps:

- Determine if the purchase order is still open or if this is a duplicate shipment. If a duplicate, reject the shipment without further action, notifying the Business Office regarding this action.

- Check contents against the blue (receiving) copy of the purchase order. Verify actual quantities; don't assume they are correct.
- Check the quantities counted and indicated on the receiving copy of the purchase order against the packing slip provided by the company.
- **If the shipment is complete, send the original of the receiving copy of the purchase order with the quantities received, signed and dated, along with the packing slip to the Accounts Payable Clerk, to process payment.**
- **NO BACK ORDERS WILL BE ACCEPTED**

All Vendors must fill out and return the following forms to BISD Purchasing Department:

- Vendor Application
- W-9
- CIQ (required by Texas Law H.B 1491, 80th Legislature, Regular Session)
- Sole Source Affidavit (if applicable)

All Sports Officials, Judges or anyone getting paid by BISD for an event worked must fill out the following forms in order to be paid:

- W-9
- CIQ (required by Texas Law H.B 1491, 80th Legislature, Regular Session)